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The emblem of Technical Cooperation among Developing Countries (TCDC) displays a symbolic bridge joining the countries and people of the Southern hemisphere. The centre of emblem—where the Southern, Northern, Eastern and Western parts of the world join—symbolizes a further and ultimate objective of TCDC: the promotion of truly global partnership for development.

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"South-South cooperation has assumed importance both as a strategy in support of development objectives and as a means of ensuring effective participation of the developing world in the global economic system—a system which is increasingly being shaped by the phenomena of globalization and economic liberalization. For this reason, we in UNDP, spurred by the work of the Special Unit for TCDC, have committed ourselves to ensure that our programmes are increasingly oriented towards TCDC and ECDC."

James Gustave Speth
Administrator
United Nations Development Programme
Statement at the
Twentieth Annual Meeting of Ministers of Foreign Affairs of the G-77 and China

Message from the Director

The present issue of Cooperation South continues the discussion on the role of South-South Cooperation as a strategy in support of the development efforts of the developing countries and as a means of ensuring their effective participation in the newly emerging global order.

The contributors to this issue include senior officials of developing countries, development professionals from the UN system as well as representatives of civil society organizations. We would like to express special appreciation to the Minister of Foreign Affairs of Costa Rica for his interview on the important topic of the solidarity of the South in a changing global environment. We are also pleased to have as a contributor Gamani Corea, former Secretary-General of UNCTAD. Regional perspectives are ably articulated by Bravo, Tripp and Sabat in the case of Latin America/the Caribbean and by Dirar and Mabingue Ngom for the Africa region. Support for poverty eradication, employment and the environment is described by Lance Pierce in his article on the road to Habitat II. Florence Dillsworth, Mayor of Freetown, Sierra Leone, graphically describes the challenge of administering a city in the midst of civil strife, and leaves us with an indelible impression of bravery and imagination as well as the potential of South-South Cooperation.

We hope that the issue will stimulate continued debate on the importance of South-South Cooperation, and TCDC in particular, as a strategic dimension of international development cooperation and as a means of assisting the developing countries to achieve the goal of sustainable human development, with special reference to poverty eradication. We therefore look forward to receiving comments from our readers on the various articles featured in this issue. Our 'Letters to the Editor' column in the TCDC Discussion Forum on the Internet can be accessed through our E-mail address: tcdc@FF101.undp.org

My colleagues in the Special Unit for TCDC join me in extending to our readers best wishes for the holiday season and for 1997.

Denis Benn

Denis Benn, Director
Special Unit for TCDC

South-South Cooperation

A Strategic Dimension of International Development Cooperation

BY DENIS BENN

In today's changing development environment, increased emphasis is being placed on South-South cooperation as a strategy in support of the development efforts of the developing countries and as a means of ensuring their effective participation in the international economic system. With the growing recognition that South-South cooperation in its various forms might be the key to achieving these goals, Denis Benn, Director of the Special Unit for TCDC, examines the South-South experience with particular reference to TCDC and ECDC - technical and economic cooperation among developing countries.

I. South-South cooperation: origins and philosophical rationale

Although the earliest forms of cooperation among developing countries centred largely on regional and sub-regional economic integration and cooperation arrangements established within the 1960s, as in the case of the Latin American Free Trade Agreement (1960), the Central American Common Market (CACM) (1960), the Caribbean Free Trade Association (1967), the Andean Sub-Regional Integration Agreement (1969), the Association of South East Asian Nations (ASEAN) (1967) and the Central African Customs and Economic Union (UDEAC) (1966) the concept of South-South cooperation, which encompasses both technical and economic cooperation among developing countries, may be said to have formally emerged as a universal principle during the 1970s, both as a strategy in support of the development efforts of the developing countries and as an instrument for promoting collective self-reliance in order to ensure their effective participation in the international economic system. Its philosophical rationale derived from the recognition that the traditional structure of international economic relations, because of its historical origins in colonialism, was dominated by vertical North-South relations and therefore the strengthening of South-South cooperation was necessary to create a more truly interdependent global economic order. However, from its very inception, it was emphasized that South-South cooperation was not to be seen as a substitute for North-South cooperation but as a complementary dimension of such cooperation. These principles received their most comprehensive and definitive expression in the Non-Aligned Action Programme for Economic Cooperation among Developing Countries adopted at the Conference of Non-Aligned Foreign Ministers in Georgetown, Guyana, in 1972; the Buenos Aires Plan of Action adopted at the UN Conference on Technical Cooperation among Developing Countries (TCDC) held in 1978; and the Caracas Programme of Action adopted by the Group of 77 in 1981. The report of the South Commission entitled "The Challenge to the South", which was published in 1990, contained a comprehensive set of recommendations on South-South cooperation and thus gave added impetus to such cooperation in the 1990s.

II. South-South cooperation: the experience

Within the framework of these broad principles, the developing countries have sponsored a number of initiatives in respect of trade, production and finance, designed to strengthen the bonds of cooperation among themselves, both within formal sub-regional and regional integration arrangements as well as in the context of looser cooperation frameworks established among them.

a. Trading patterns in the context of sub-regional and regional economic integration and cooperation arrangements

Most sub-regional and regional economic integration arrangements, particularly in the case of Latin America and the Caribbean, were motivated by a desire to create an expansion in market size in order to support a strategy designed to accelerate the pace of industrialization and also to lay the foundations for a more systematic integration of production structures across national boundaries. While some of these integration schemes have stagnated, the majority have made steady progress during the 1970s and in fact gained a new vitality and momentum during the 1980s and 1990s, particularly in the wake of restructured arrangements, as is the case of the "'open regionalism" on which countries have embarked in Latin America. In fact, sub-regional and regional integration arrangements and, to a lesser extent, interregional cooperation arrangements, contributed to a significant expansion in the volume of South-South trade during the 1970s. Moreover, in spite of a decline in such trade during the early 1980s, as a result of a slow-down of economic activities in the developed countries which forced the developing countries to make significant internal economic adjustments, trade among the developing countries has continued to expand since the latter part of the 1980s. To a large extent, this has resulted from the increased differentiation among the economies of the developing countries and their growing complementarity as a result of such differentiation. This is particularly true of the newly industrializing economies of East Asia and some Latin America countries, which have served as an important engine for the expansion of South-South trade. The expansion of the scope of the Globalized System of Trade Preferences among Developing Countries should serve to further expand trading opportunities among the countries of the South.

> ***The concept of South-South cooperation formally emerged as a universal principle during the 1970's.***

As a result of the increasing levels of development being experienced in some developing countries, particularly in terms of manufactured exports, the share of the developing countries in world trade has increased significantly. Similarly, the developing countries have, by and large, continued to achieve higher levels of economic growth than the developed countries in recent years. As will be discussed later, these trends have important implications for the future of South-South cooperation.

b. Financial flows among developing countries

Although attention has tended to focus on trading patterns among the developing countries, the flow of financial resources among the developing countries is also an important aspect of South-South cooperation. During the 1970s, the member States of the Organization of Petroleum Exporting Countries (OPEC), buoyed by surpluses derived from increased oil prices, established a number of funds which were designed to transfer resources to the non-oil producing developing countries, both in the form of direct grants as well as loans. Two notable examples of such funds were the OPEC Fund and the Kuwait Solidarity Fund. Although these funds never equalled the official development assistance provided by the OECD countries which averaged US$55 billion per annum during the period 1989-1994, it is estimated that in 1990, Arab donors provided approximately US$6 billion to other developing countries. However, as a result of the collapse of oil prices over the years, there has been a significant decline in the resources flowing to other developing countries from this source. The corresponding figure for 1993 stood at US$1.3 billion. In fact, at the present time, only three countries, namely, Saudi Arabia, Kuwait and the United Arab Emirates continue to provide some development assistance but, as a result of the Gulf War, even Saudi Arabia and Kuwait have experienced increased financial stringency and therefore face added constraints on their capacity to provide aid to other developing countries. One encouraging development is the emergence of new donors in the South. For example, in 1993 the official development assistance (ODA) contribution of the Republic of Korea amounted to an estimated US$125 million, which indicates the potential of other developing countries, particularly among the newly industrializing economies in East Asia, to join the number of new donors.

III. The role of the United Nations in the promotion of South-South cooperation

The United Nations has played an important role in the promotion of South-South cooperation since the 1970s, although organizations such as UNCTAD had incorporated South-South cooperation in their programmes since the late 1960s. In fact, various programmes of action in respect of technical cooperation among developing countries (TCDC) and economic cooperation among developing countries (ECDC) have been endorsed by the Economic and Social Council (ECOSOC) and by the General Assembly, which have called upon the organizations and agencies of the UN system and the international community to support such programmes. Within the UN system, two organizations, namely, UNCTAD and UNDP, have special responsibility for the promotion of TCDC and ECDC, respectively. In the case of UNCTAD, there is a special Standing Committee on ECDC which provides broad policy guidance in respect of the ECDC programmes implemented by the UNCTAD secretariat. Within UNDP, the Special Unit for Technical Cooperation among Developing Countries (SU/TCDC), serves as the secretariat for the High-Level Committee on the Review of TCDC, which is a subsidiary body of the General Assembly, and which meets biennially to review progress made on TCDC within the UN system as a whole. The Committee reviews reports on the subject prepared by SU/TCDC and takes appropriate decisions which guide the TCDC activities of SU/TCDC, UNDP as a whole, as well as the other organizations and agencies of the UN system which are required to submit reports on their activities through SU/TCDC. The report and decisions of the High Level Committee are submitted to the General Assembly through ECOSOC. Copies are also made available to the UNDP Executive Board for information.

a. The Special Unit for Technical Cooperation among Developing Countries

Apart from serving as the secretariat to the High-Level Committee on the Review of TCDC and monitoring the TCDC activities carried out within the UN system as a whole, SU/TCDC also funds and implements TCDC programmes on the basis of resources made available for this purpose by the Executive Board of UNDP. During the current programming cycle (1992-1996), such resources formed part of the Special Programme Resources (SPR) allocation which was intended to support a number of initiatives such as programme development, humanitarian relief and, of course, TCDC.

b. TCDC instruments and modalities

During the 1992-1996 programming period, the allocation for TCDC has been used to fund four broad categories of activities, namely, promotion and sensitization; enhancement of national capacities for the management of TCDC; capacity and needs matching exercises and subject specific workshops to facilitate the exchange of experiences among developing countries; and the sponsorship of studies and evaluations in respect of various TCDC activities. These mechanisms are designed to foster increased cooperation among developing countries and to stimulate the increased application of TCDC as a cost-effective modality in support of the development efforts of the developing countries. Within this overall framework, the activities carried out by SU/TCDC have enabled governments to put in place appropriate national policies governing TCDC and also to establish and strengthen national TCDC focal points. In addition, it has assisted governments in the developing countries to tackle a variety of development challenges in the area of poverty alleviation, the environment, the promotion of small enterprise development as a strategy for employment generation, the application of technology, coastal fisheries development, urban management and the promotion of women in development.

c. New directions for TCDC

In light of the fundamental changes that have occurred in the traditional structure of international economic relations which is increasingly being shaped by the phenomena of globalization and economic liberalization, the General Assembly requested the High-Level Committee on the Review of TCDC to include on the agenda of its ninth session held in New York from 30 May to 2 June 1995, an item entitled "New Directions for TCDC". Based on a report on the subject prepared by SU/TCDC, the High-Level Committee adopted a series of proposals designed to ensure the adoption of a more strategic orientation for TCDC in the future. The Committee called, inter alia, for the promotion of high-priority TCDC activities in such areas as trade and investment, debt, macroeconomic coordination and aid management, poverty alleviation and the environment which are likely to have a major development impact on a large number of developing countries. In addition, it urged a closer operational integration between TCDC and ECDC in order to ensure that TCDC serves as a critical instrument in support of wider economic cooperation arrangements among the developing countries. In keeping with the decisions of the Committee, a number of pivotal countries will be identified in each region to serve as catalysts for TCDC. One important innovation was the introduction of the concept of "triangular cooperation" in support of TCDC whereby developed countries would be encouraged to become involved in providing direct financial and, in some cases, technical support for the promotion of TCDC activities. Finally, the High-Level Committee recommended the expansion of the TCDC Information Referral System (INRES) into a Multi-Dimensional Information System that will include information not only on institutional capacities in the developing world but also individual experts, centres of excellence and innovative technical cooperation practices capable of replication in other developing countries. Taken altogether, the New Directions proposals, which have been endorsed by the UNDP Executive Board, ECOSOC and the General Assembly, provide a comprehensive framework for the implementation of TCDC activities in the future.

It should be mentioned that in respect of the new UNDP programming cycle (1997-1999), the UNDP Executive Board has decided to provide a separate allocation of resources for TCDC. In addition, at the request of the General Assembly, UNDP has established a Trust Fund for the Promotion of South-South cooperation to which Member States of the United Nations will be invited to contribute. The resources available under the TCDC allocation for the new programming cycle and those likely to be made available under the Trust Fund should enable SU/TCDC to implement the main recommendations contained in the New Directions proposals. However, given the magnitude of the demand for TCDC, additional resources will be required to meet these needs.

In keeping with the "New Directions" mandate, SU/TCDC has already embarked on a programme to implement a number of strategic initiatives. For example, as the coordinator within UNDP for the follow-up to the UN Conference on the Sustainable Development of Small Island Developing States (SIDS) held in Barbados in April/May 1994, SU/TCDC prepared a comprehensive technical assistance programme entitled the SIDS Technical Assistance Programme (SIDS/TAP) which is designed to serve as the instrument for the implementation of the Programme of Action adopted at the Conference. In addition, in keeping with the request of the Conference, it has prepared a Directory of SIDS Experts and Institutions as a basis for the utilizing the TCDC modality in the implementation of the Programme. Similarly, in pursuance of the decisions taken within the framework of the agreement concluded at the Africa-Asia Cooperation Conference held in Bandung, Indonesia, in December 1994, SU/TCDC is sponsoring a series of exchanges between Asian and African countries designed to transfer experiences in such areas as agriculture, with special emphasis on improved agricultural productivity, human capital formation, institutional development as well as the application of new techniques in respect of the organization of production. Finally, a comprehensive programme of exchange has been organized between the Commonwealth of Independent States (CIS) and Latin American countries in order to enable the former to benefit from the experiences of the latter in such areas as structural adjustment, privatization, aid management and coordination.

IV. TCDC and ECDC: a strategic nexus

As stated earlier, South-South cooperation embraces both TCDC and ECDC. However, in the past there was a tendency for TCDC and ECDC to be pursued as separate initiatives. The decision of the High-Level Committee on the Review of TCDC that there should be a closer operational integration between TCDC and ECDC should therefore serve to forge a strategic nexus between the two concepts,. In other words, TCDC will increasingly be seen as an instrument to achieve the objectives of broader economic cooperation agreements concluded among the developing countries. This will also necessitate a closer working relationship between SU/TCDC within UNDP and the UNCTAD secretariat which, as mentioned earlier, have responsibility for TCDC and ECDC, respectively.

In this context, it is noteworthy that in August 1995, SU/TCDC and the UNCTAD secretariat, cooperated closely in organizing an intergovernmental meeting of experts on South-South cooperation which the General Assembly had decided should be held in order to make recommendations in respect of both the substance and modalities for the promotion of South-South cooperation. The report of this meeting, together with those of the ninth session of the High Level Committee on the Review of TCDC and the UNCTAD Standing Committee on ECDC, served as critical inputs in the preparation of the Secretary-General's report to the 50th session of the General Assembly which in fact urged the international community to continue to support South-South cooperation as a strategic priority.

V. South-South cooperation: a two-dimensional strategy

As was mentioned earlier, South-South cooperation is seen by the developing countries both as a strategy in support of their development efforts and as a means of ensuring their effective participation in the global economic order.

a. South-South cooperation as a development strategy

Sub-regional and regional integration as well as interregional cooperation among developing countries is conceived as a means of optimizing the development potential of the developing countries through the expansion of market size and a strategy for integrating and thus expanding their overall productive capacity. In addition, South-South cooperation has considerable potential as a development strategy aimed at the transfer of critical expertise and experiences among developing countries. For example, the newly industrializing economies of East Asia, most notably, the Republic of Korea, Singapore, Hong Kong and Taiwan, have achieved spectacular economic growth and have increased their international competitiveness through the application of new production techniques such as flexible specialization, or "just in time" techniques of production, as well as the application of cross-functional management principles. These techniques could be transferred to other developing countries through the TCDC modality and thus serve to stimulate increased levels of development. In fact, it should be mentioned that some of these techniques are being applied by the developed countries themselves, which suggests that they could be even more beneficial to other developing countries seeking to expand their productive capacity and export competitiveness.

South-South cooperation also provides an important basis for the pooling of resources among developing countries in order to establish joint ventures or multi-country production enterprises for the exploitation and processing of critical raw materials, particularly in the mineral sector in which developing countries exports account for a significant proportion of total world exports, and thus localize within the developing countries an increased proportion of the value added accruing from the processing of these products.

b. South-South cooperation as a strategy of collective self-reliance

Given the profound changes which have occurred and will continue to occur in the global economic system in the aftermath of the Uruguay Round negotiations and the establishment of the World Trade Organization (WTO) to supervise the management of an increasingly liberalized global trading regime, the developing countries have a vested interest in maintaining their political solidarity in order to defend their common interests both in terms of the elaboration of the detailed agreements governing the new order and in approaching future international trade negotiations.

There has in fact been a tendency to argue that the increased differentiation among the developing countries in terms of levels of economic development renders obsolete the concept of a unified South and that it is necessary to begin to identify different categories of developing countries, based on the level of their development, instead of seeing them as a single entity. Nevertheless, despite the increased economic differentiation among the developing countries, these countries still subscribe to a core of economic interests which, by and large, enables them to act in unison in respect of international trade and economic issues. The continued diplomatic solidarity of the great majority of developing countries is likely to be a defining characteristic of future global economic negotiations and thus contradict the predictions about the demise of the South. In fact, this reality is evident in the continued solidarity of the Group of 77 which, apart from economic interests, is invested with a political unity that has been nurtured in the context of intense diplomatic struggle in the cause of development.

VI. South-South cooperation: the institutional dimension

While the Non-Aligned Movement and the Group of 77 have provided overall political direction in respect of South-South cooperation, with significant assistance from different parts of the UN system, such as SU/TCDC and the UNCTAD secretariat, there has been an ongoing debate among the developing countries regarding the need for a formal secretariat to support initiatives in the area of South-South cooperation and also in respect of other issues of importance to the developing countries. During the 1980s, feasibility studies were carried out on the subject but, for a number of reasons, they proved inconclusive regarding the desirability of establishing a formal secretariat, although the Group of 77 has since resorted to the device of constituting a "Core of Assistants" in New York to support the efforts of the Chairman of the Group in coordinating its work.

In the meantime, the South Centre, which was formally launched as an intergovernmental organization in 1994, has emerged as an important 'think tank' for the South and has, in fact, prepared a wider range of reports on several aspects of South-South cooperation and on the impact of globalization and economic liberalization on the developing countries, for consideration by the Non-Aligned Movement as well as the Group of 77. In recognition of its work, the Centre, which is based in Geneva, was awarded, in 1995, the Group of 77/UNDP Award which is presented, on an annual basis, to the individual or institution which is considered to have made the most significant contribution to the promotion of South-South cooperation.

In addition, non-governmental organizations based in the South, such as the Third World Network, have become very influential advocates of South-South cooperation in respect of international trade and economic issues.

The capacity of the developing countries to advance South-South cooperation initiatives in the future, will therefore be considerably strengthened by the substantive analytical work being carried out by the South Centre and by the promotional and advocacy role of non-governmental organizations such as the Third World Network.

VII. Reorienting traditional North-South development cooperation

Much of the grant flows from the developed donor countries in respect of technical cooperation activities has tended to support the transfer of expertise and equipment from North to South. Given the changes in the economic situation of the developing countries, it has become increasingly evident that major gains can be realised through the promotion of South-South cooperation, since this will not only enable developing countries themselves to bring to bear on the development problems of other developing countries, experiences that are similar but would also provide a cost-effective modality and thus serve to rationalize the use of expertise in multilateral technical cooperation activities.

In this regard, it should be pointed out that within the framework of the European Union/African, Caribbean and Pacific Countries (EU/ACP) Lome Convention, intra ACP cooperation, which is in effect an aspect of South-South cooperation, has been recognized as an important form of economic cooperation and resources have been allocated for the promotion of such cooperation. In the future, increased attention would need to be paid to the promotion of cooperation among developing countries both within the ACP framework as well as within wider South-South cooperation arrangements. The international community, including the European Union, would therefore need to give increased attention to this possibility in order to support a more viable and cost-effective approach to international development cooperation. This effort could also be facilitated through "triangular cooperation" arrangements whereby developed donor countries could provide both financial and technical inputs in support of South-South cooperation arrangements initiated by the developing countries.

VIII. Future prospects of South-South cooperation

Despite a number of setbacks, South-South cooperation has continued to prosper. Not only has South-South trade expanded significantly over the years, but growth rates in the developing countries, largely in the newly industrializing economies of East Asia, have been consistently higher than those in developed countries in recent years. It is increasingly being recognized that, while the developed countries have traditionally served as the engine of growth for the developing countries, these countries, given the slow-down in economic growth, will no longer be able to do so to the same extent as in the past, and that the momentum may well shift to the developing countries, since, with the increasing differentiation among developing countries, the more advanced developing countries have demonstrated an increased potential to serve as markets for the primary commodities of other developing countries.

This trend is also likely to be accentuated in the context of a profound demographic resolution which, on the basis of a medium to high projection, is estimated to produce by the year 2025, a global population of 8.5 billion, of which in excess of 7 billion will be located in the developing countries. Consequently, provided a strategy is found to liberate the tremendous productive potential of the developing countries, the South is likely to influence significantly the dynamics of global economic relations in the twenty-first century.

IX. Conclusion

The above analysis illustrates the continuing importance of South-South cooperation as an instrument in the service of development. Given the changes that have occurred in global trading and economic arrangements, such cooperation is likely to continue to grow in significance. Consequently, the international community should recommit itself to supporting South-South cooperation as an increasingly relevant and cost-effective approach to fostering a sustainable pattern of development. ❖

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Solidarity of the South in a Changing Global Environment

Cooperation South magazine interviews Sr. Fernando E. Naranjo V., Minister of Foreign Affairs of Costa Rica, in a discussion on solidarity of the South in a changing global environment.

CS: What is the potential or future for South-South cooperation in assisting developing countries to tackle development problems?

Minister Naranjo: The enormous potential inherent in South-South cooperation offers new hope for more balanced progress towards economic development in the countries of the South. In today's world, no country is powerful enough to meet all its needs on its own. More than ever, some form of international cooperation is necessary.

Technical cooperation among developing countries, for example, has made more rapid progress possible where such cooperation has taken place. It is also logical to believe that South-South cooperation can secure better results, since it involves an exchange between countries with similar economies and societies. The technologies obtained from the North often cannot be adapted to our situation.

South-South cooperation makes possible a genuine transfer of know-how and technology and the lessons of other Third World nations which have successfully overcome problems similar to those faced by other developing countries. The future of South-South cooperation in areas such as the economy and trade is a bright one. Economic cooperation among developing countries has been given renewed impetus with the search for more open and flexible modalities of cooperation. The traditional view of cooperation in trade has expanded to include other areas such as finance, investments, technology and culture.

Regional cooperation provides one concrete way for States, regions and communities to assume their responsibilities. We have to include in this new mentality such simple initiatives as work camps for young university students, social service programmes for young doctors and those private-sector related aspects of international programmes in South-South cooperation. These new schemes of cooperation require new modalities. Japan, for example, has understood that cooperation requires new impetus, especially in Africa, one of the areas in the world where poverty is most acute.

The future of South-South cooperation is a subject which should be covered in the mass media. It is a new framework for solidarity in the world to which all mankind is called upon to contribute.

CS: What specific role is there for South-South cooperation within the context of the new structure of international economic relations?

Minister Naranjo: In the new context of globalization, the less developed countries are being marginalized from the exchange flows that are changing the world. In this situation, South-South relations have taken on increasing importance as a collective instrument to ensure that developing countries are not marginalized in this process.

Given this trend towards globalization, international cooperation must be more effective and meaningful, which means that the international community, through concrete initiatives, should explore and inspire new modalities of cooperation, coordination and investment with a view to making a more effective contribution to the improvement of societies. In that sense, South-South cooperation plays a vital role for developing countries.

South-South cooperation should expand the scope of its activities to include new modalities of action. One example is the pooling of products for export. Developing countries frequently request products which we are unable to supply for lack of exportable quantities. With the integration of markets, this objective can be achieved and the challenge met.

CS: What specific initiatives are considered necessary by developing countries to make South-South cooperation a truly sustainable effort?

Minister Naranjo: One of the most important initiatives of the developing countries in the area of South-South cooperation relates to the urgent need to reform and revitalize the United Nations Conference on Trade and Development (UNCTAD), at both the operational and institutional level. UNCTAD is considered to be the principal forum of the United Nations General Assembly for dealing in an integrated manner with development issues and related aspects of trade, finance, investment, sustainable development and the promotion of international cooperation. This forum can thus promote development, especially in the less developed countries and most vulnerable economies.

Another of the initiatives being pursued by the Group of 77 and China is the urgent adoption of a series of measures aimed at revitalizing international cooperation for technological development and the promotion of technology transfers. Towards this end, new modalities of cooperation must be elaborated which include the establishment of international mechanisms of collaboration in research and innovation, with the participation of companies in specific sectors and technological fields.

The subject of technical cooperation is a complex one. There are countries which have made great progress in areas related to technical cooperation and which over time have been able to export that technology. Such cooperation ranges from improvements to crops to combating environmental problems.

With more than 60 years of experience in the field of agricultural research, Costa Rica offers many other nations its advanced professional capacities which it has transformed into South-South cooperation. A clear example of this is the technical assistance which our country offers for the improvement of banana cultivation in the Philippines.

There is also the phenomenon of some developing countries undervaluing the quality of South-South cooperation. This is a grave error which we must avoid. South-South cooperation must not be seen in terms of substitution but rather in terms of complementarity. It should not be forgotten that technological advance is already in the hands of developing countries and that its transfer to other countries of the South is vital.

We know that one of the key areas for the South is the improvement of communications: ports, transport and telecommunications are essential in order to compete. We must improve our capacity to communicate our realities to the world as well as our relationship with the international media.

CS: There has been a substantial investment made in multilateral technical cooperation over the years which has led to the development of significant capacities in some parts of the South. Should not the transfer of expertise and experience among countries of the South become a major instrument for sustainable development? How can this be accomplished?

Minister Naranjo: The training of expert teachers is one of the key elements of South-South cooperation. One of the growing elements in the South is professional training.

Technical cooperation should be carried out at both the national and regional levels. Such cooperation is fundamental to prepare a country for receiving international cooperation, since there must first exist at the regional level the individual countries' own capacity to help themselves and to manage cooperation projects.

The problems of underdevelopment often lie in the lack of management capacities in our countries to take advantage of the cooperation offered to us by the North. The lack of initiatives and projects, the limited number of offices of cooperation with efficient databases and up-to-date statistical figures prevent us from deriving maximum benefit.

In Latin America, we should follow the example of Brazil and its relations with Africa. There are numerous institutions and universities which can serve as a basis for cooperation with the African continent.

I believe that we have many agricultural schools with similar climates which be useful for Africa. In this connection, I hope that in the next few months we could have another conference on cooperation between the Latin American and Caribbean region and Africa which could offer great possibilities and in which the United Kingdom, the Netherlands and France are invited to participate.

I also consider that the model of governance and order in the Caribbean Community (CARICOM) is of great value for small nations in Africa. We have to put an end to the pessimism with which the world views Africa and transform that continent into one of opportunities in the area of cooperation. It is for this reason that Africa will have all our attention during the conference of the Group of 77 and China, which will take place in Costa Rica from 13-15 January 1997.

During my recent visit to Africa, we were able to offer our experience in the field of health. The 73 years of average life span in our country is an exportable model for successful health structures.

We have to seek in our cooperation projects a means of exchanging experiences and communication programmes. Towards this end, we must overcome distances, obtain funding and establish priorities. The Secretary-General of the United Nations must hold Africa close to his heart and mind.

CS: Technical cooperation in general and TCDC in particular must address the plight of the Least Developed Countries (LDCs). What steps could be taken to have the LDCs, particularly from Africa, benefit more from future South-South cooperation?

Minister Naranjo: Just as there are marked differences in the relations between the North and the South, South-South relationships are similarly unequal. In order to address this situation, it is important to define, as part of the programmes of South-South cooperation, criteria and methods for the targeting of assistance based on the level of development of recipient countries.

The least developed countries stand to benefit most from this policy and would be the main focus of concern in the establishment of more effective mechanisms for securing them immediate assistance. In order to more fully exploit the potential of South-South cooperation, the less developed countries should identify their needs in accordance with their national development priorities. Today, the countries of the North are obliged to reduce their programmes of external assistance more and more and the developing countries therefore need to use the scarce resources which they will receive in more rational ways. South-South cooperation can be used to complement the national efforts of each country, but should not be seen as a substitute for those efforts.

CS: Under United Nations auspices, several major conferences have been held since the June 1992 Earth Summit in Rio. Countries have made commitments to carry out plans of action so that by the end of the decade, political, social and environmental obstacles are removed for the benefit of the majority of the world's people. How can South-South cooperation help to ensure more successful implementation of the recommendations of those global conferences?

Minister Naranjo: The global conferences have given great impetus to our Organization. When implementing the resolutions adopted by these conferences, we have to examine very carefully whether these are applicable to our situation.

Just as globalization is not the solution to all the problems of the future, neither should global conferences prevent us from continuing with the positive results which we have had in many areas. We have to be very careful with those who are attempting to change the models of cooperation which have been functioning successfully. For example, Latin America has made great strides in the field of human rights, and emphasis should therefore now be placed on key problems, such as poverty and education.

This is where we have to focus our cooperation, making use of resources such as television, the Internet, satellites and our teachers as agents of change. We the developing nations sometimes feel that we are being forced to take new medicines when in fact those medicines are out of date. Very often, cooperation is deeper rather than diffuse.

CS: The concept of South-South cooperation is being promoted as an answer to the development problems facing Third World nations. How far have developing nations progressed in such specific areas as trade and economic ties among themselves? What are the obstacles to increased South-South cooperation?

Minister Naranjo: Intra-regional pacts are becoming more and more frequent. In the case of Central America, significant steps towards regional cooperation have included the integration of stock exchanges, the establishment of a Central American Bank for Economic Integration and, in particular, the liberalization of exchanges in the context of the modernization of the banking sector. All of these initiatives, together with Central American integration, have enabled us to develop a fairly effective model of South-South cooperation.

Nevertheless, in order to achieve greater progress in the field of trade, two fundamental requirements must first be met. Within the economies of each country, there is need for greater political will on the part of Governments and more active and responsible participation by the private sector in investing in better and more efficient production infrastructure (industrial, transport, finance and communications). At the external level, international coordination is needed to permit each country to fully develop the comparative advantages in its production and to reduce the trade barriers between them.

South-South cooperation faces its greatest obstacles perhaps in the failure to elaborate effective mechanisms to facilitate South-South transfers; in other words, to establish the modalities that would permit active, meaningful and regular exchanges among the countries concerned. This requires the development of a sense of greater unity on the part of our peoples rather than positions that are merely hostile towards other fronts.

The democracies of our continent were forged through dialogue among our regional leaders. Cooperation requires that similar channels of communication should be found. To that end, larger gatherings should be organized among the youth leaders of Asia, Africa, Oceania, Latin America and the Caribbean with a view to establishing a genuine framework for cooperation.

CS: What do you think is the answer to some of the major social and economic problems facing developing nations? More aid? Increased trade? A rise in foreign direct investment? Can South-South cooperation create a global framework or a climate for these activities which is more favorable to developing country interests?

Minister Naranjo: I am of the view that all the options mentioned are important. However, it is the responsibility of each country to indicate in which areas it is having difficulties. For the moment, what we have to do is to ensure that we are effectively mobilized in our efforts to secure development cooperation.

CS: The Group of 77 and China are organizing a major Conference on South-South trade, finance and investment scheduled to take place in Costa Rica in January 1997. How will this meeting enhance South -South cooperation? What are the expected short, medium and long term results?

Minister Naranjo: The South-South conference on trade, finance and investments, to be held on 13 - 15 January 1997, will seek to strengthen cooperation among countries by identifying the principal economic issues with which the developing countries must grapple in the twenty-first century, and at the same time to elaborate an effective strategy based on dialogue between the government, private sector and the non-governmental sector.

This forum also seeks to identify those strategies that are likely to contribute to the implementation and more effective use of United Nations programmes that promote development in Third World countries, including the recommendations and important decisions adopted during the ninth session of UNCTAD, held in April 1996.

In addition to the above, one of the principal objectives of the conference is to promote the active involvement of the private sector and regional businesses in an examination of the new opportunities opened up to them by the increase in economic cooperation and other cooperation activities.

In the past, our nations have fully developed North-South cooperation, a factor which has prevented them from carrying out a proper analysis of the great potential of South-South trade and cooperation.

For example, our countries have numerous successful industries which have introduced into the markets technological innovations production techniques which have enabled them to increase their productivity. These enterprises are in a good position to exploit their comparative advantages and their production of goods and services on a competitive basis.

I believe that this type of enterprise, many of them emerging in countries like Indonesia, Singapore and Malaysia, can share their experiences with the less developed countries in that area, such as the islands of the Pacific, the Caribbean and some of the countries of Africa, which need cooperation in specific areas of the trade sector.

One aspect which cannot be ignored at the upcoming conference in January in San José is that related to the increase in existing opportunities and facilities for cooperation as a result of the technological revolution in the field of information. It is a fundamental task of the developing countries to identify existing means through which they can derive greater benefit from the use of such systems.

As Chairman of the Group of 77 and China, Costa Rica's interest lies in creating the opportunity for an open and in-depth dialogue between representatives of government, the private sector and international organizations, which can have as its immediate result a concrete programme of cooperation that would serve as a mechanism for meeting future challenges in the areas of trade, finance and investments with which the developing countries would soon be faced. The private sector has a key role to play in meeting these challenges.

Post-conference activities will include the follow-up to the specific plans emanating from the conference with a view to achieving, in the long term, more effective participation by the developing countries in the new world order through an increase in cooperation in the field of trade and investment.

In addition, we shall have a forum on "The New Global Agenda: the challenges of education and competitiveness" aimed at the business sector, educators and diplomats, which will look at the opportunities offered by globalization and its link to competitiveness. This forum will take place in San José, Costa Rica, on 15 and 16 January 1997. ❖

The Importance of South-South Cooperation in the Contemporary World of Globalization and Liberalization

BY GAMANI COREA

Gamani Corea, former Secretary-General of UNCTAD, describes strategic options for more effective developing country participation in the new global order.

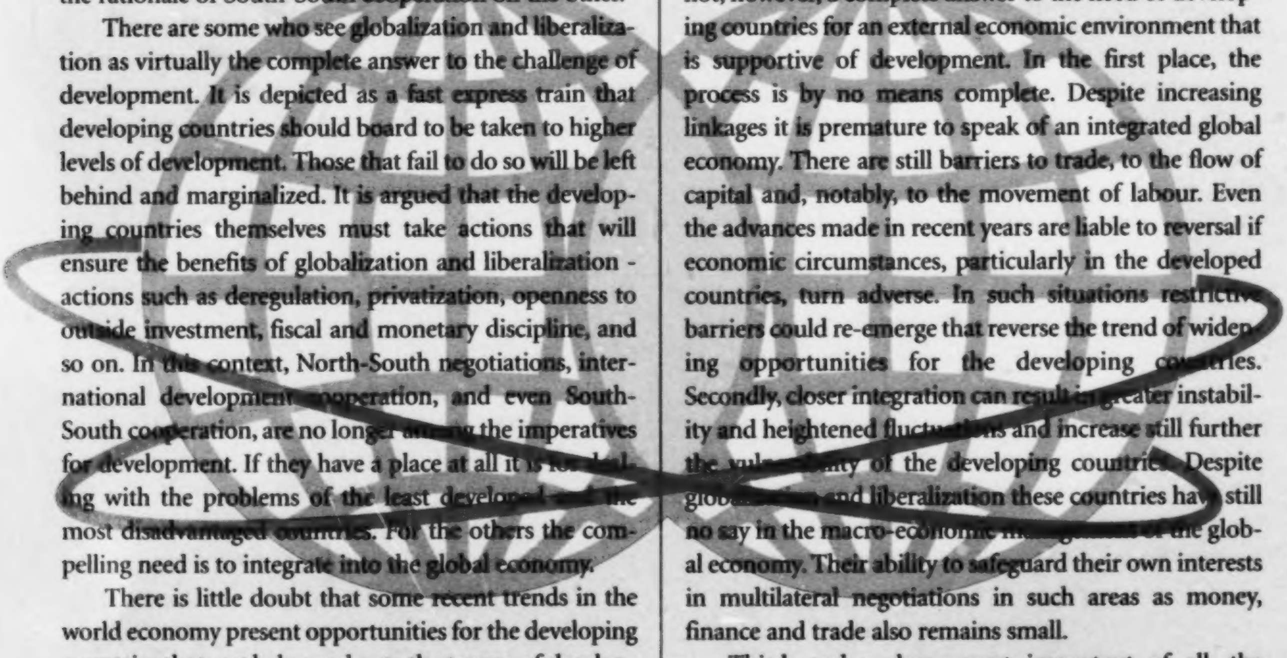
The question is being asked: "What is the significance of South-South cooperation in a background of globalization and liberalization in the world economy?" Do these trends reduce the importance of such cooperation, even making it redundant, or is there still a strategic and catalytic role for the process? The answers to these questions must surely depend on the nature of globalization and liberalization, on the one hand, and on the rationale of South-South cooperation on the other.

There are some who see globalization and liberalization as virtually the complete answer to the challenge of development. It is depicted as a fast express train that developing countries should board to be taken to higher levels of development. Those that fail to do so will be left behind and marginalized. It is argued that the developing countries themselves must take actions that will ensure the benefits of globalization and liberalization - actions such as deregulation, privatization, openness to outside investment, fiscal and monetary discipline, and so on. In this context, North-South negotiations, international development cooperation, and even South-South cooperation, are no longer among the imperatives for development. If they have a place at all it is for dealing with the problems of the least developed and the most disadvantaged countries. For the others the compelling need is to integrate into the global economy.

There is little doubt that some recent trends in the world economy present opportunities for the developing countries that can help accelerate the tempo of development. The lowering of barriers to world trade, the increasing mobility of transnational corporations, the decentralization of production processes, the linking-up of capital markets, and dramatic technological improvements in such strategic fields as communications have served to enhance the integration of the global economy and to widen options for national economies including those of the developing countries. The latter must seek to profit from these trends since they greatly modify some of the earlier models that favoured relatively inward-looking scenarios for development. This does not point, however, to the pursuit of undiluted laissez-faire economic policies - a point that has been proved by the success stories among developing countries in recent times. But it does call for pragmatic policies that link the build-up of national capabilities to opportunities provided by the world economy.

The process of globalization and liberalization is not, however, a complete answer to the need of developing countries for an external economic environment that is supportive of development. In the first place, the process is by no means complete. Despite increasing linkages it is premature to speak of an integrated global economy. There are still barriers to trade, to the flow of capital and, notably, to the movement of labour. Even the advances made in recent years are liable to reversal if economic circumstances, particularly in the developed countries, turn adverse. In such situations restrictive barriers could re-emerge that reverse the trend of widening opportunities for the developing countries. Secondly, closer integration can result in greater instability and heightened fluctuations and increase still further the vulnerability of the developing countries. Despite globalization and liberalization these countries have still no say in the macro-economic management of the global economy. Their ability to safeguard their own interests in multilateral negotiations in such areas as money, finance and trade also remains small.

Third, and perhaps most important of all, the impact of the benefits of globalization and liberalization on the developing countries has been highly uneven and the disparities and imbalances can well increase as the process advances. Virtually all developing countries have,



in one way or another, been adapting their domestic policies in recent years to the needs of liberalization and openness to the world outside. The dividends, however, have been distributed unevenly underlining the obvious fact that market forces channel activities to where returns are high and not merely to where barriers are low. It should not be forgotten that policies of openness and liberalization were pursued for long periods by many of the former colonial territories. This resulted in a kind of integration into the world economy through participation in commodity trade. But it did not lead to industrialization or end the dualism in their economies. Nor did it lead to greater equality among trading partners.

The rationale for South-South cooperation needs to be viewed in the light of these varying elements of the new scenario. Certainly the logic of earlier times needs to be modified. In the sixties, for example, South-South cooperation was seen as a means of promoting industrialization through import substitution on a sub-regional basis. The closer integration of national economies would provide larger markets that made possible the economies of scale. Present trends, however, give room for different strategies of development. The improvement of market access globally and the opportunities for export that come with it provide scope for wider participation in the world economy. Hence, production structures of developing countries could be oriented towards global as well as regional and domestic markets.

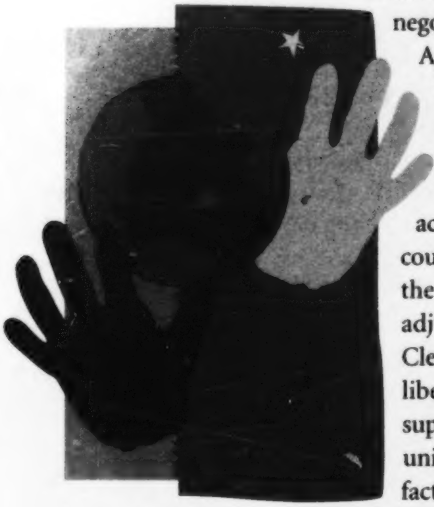
Globalization and liberalization is depicted as a fast express train to higher levels of development.

What then is the logic of South-South cooperation in the new setting? The answer calls for a distinction between South-South cooperation, pursued consciously through the collective actions of developing countries, and the spontaneous growth of South-South linkages that could result from the acceleration of growth rates in the context of globalization and liberalization. Industrialization and the greater diversification of production structures that accompany rapid economic growth will tend to enlarge market driven opportunities for trade and other exchanges between developing countries even in the absence of conscious cooperation policies. This has been the lesson of history borne out by the experience of the industrialized countries and, more recently, by some of the developing countries themselves. Indeed, it is unthinkable that all the export surpluses of the developing countries that accompany growth will be absorbed by the developed countries alone. A growing share will need to be exchanged among the developed countries themselves.

The crucial question, however, is whether such spontaneous linkages among developing countries could be relied upon to unfold with such effectiveness and speed as to provided significant impulses to their economic growth. If the impact of globalization and liberalization is partial or delayed, the logic of conscious actions to promote South-South linkages to further accelerate growth becomes compelling. Such actions need not, in the present context, aim at some kind of autarchy or self-contained growth whether on a sub-regional, regional, or even inter-regional basis. They should seek rather to profit from such opportunities that globalization and liberalization might provide as well as to overcome the limitations of the process. They should aim, in other words, at consciously speeding up and supplementing the South-South linkages that are likely to emerge spontaneously as the economies of the developing countries expand. Both the logic of and the compulsions for South-South cooperation will thus acquire a new dimension in the changed setting of the global economy.

The changed rationale for South-South cooperation has implications for the instruments of cooperation. Virtually all developing countries today belong to sub-regional, regional and even inter-regional groupings of various kinds. Such groupings have launched a number of activities and programmes of varying degrees of effectiveness covering economic, technical, social, cultural and other fields. In recent times the instrument of preferential trade among group members has received special attention spurred in part by the worldwide trend towards trade liberalization. A number of sub-regional groupings have committed themselves to creating preferential and even free trade areas.

The question is sometimes raised concerning the logic and effectiveness of intra-South trade liberalization in a setting in which barriers to trade are being in any case lowered on a "most favoured nation" basis - both through multilateral trade negotiations in the General Agreement on Tariffs and Trade/World Trade Organization (GATT/WTO) and through unilateral actions by the developing countries themselves under the aegis of structural adjustment programmes. Clearly, intra-South trade liberalization becomes superfluous in a world of universal free trade. But, in fact is, that despite recent progress there is no universal trade and no certainty as to when, if ever, it would be achieved. In the meantime intra-South trade liberalization by developing countries can serve two ends. It can stimulate economic growth by improving access to, at least, each others markets and, at the same time, serve as a "fast track" in a setting of more measured progress towards liberalization in the global context. The enlargement of markets through intra-South trade liberalization can encourage investment, both local and foreign, and impact positively on technological progress. It can, thereby, enable developing countries to take better advantage of the opportunities provided by globalization and liberalization. The logic of these arguments is relevant to sub-regional, regional and inter-regional trade cooperation.



The creation of preferential or free trade areas within the South is, however, only one aspect of South-South cooperation. Sub-regional and regional groupings are also a means of strengthening political and other ties among developing countries and of relieving tensions and conflicts that might have arisen in the past. The "centre-periphery" relationship of the colonial era minimized intra-South contacts even among neighbouring countries. Globalization and liberalization, to the extent that it accelerates diversification and economic growth, may promote closer ties among developing countries but, as in the case of trade, such ties need to be consciously established and strengthened through South-South cooperation. The lowering or removal of trade barriers through preferential or free trade areas can be supplemented by a number of other cooperative arrangements to promote investment flows, joint ventures regional infrastructure development, science and technology, human resource development, and so on. The revolutionary developments in communications and information technology offer new vistas that provide a major role for technical cooperation among developing countries. There is now a vastly enhanced potential for the sharing of experiences and expertise and the widening of contacts among such countries. The lessons of both divergent growth performances and of problems shared in common can be better disseminated among developing countries than even before. Technical cooperation among developing countries can thus assume major new dimensions at all levels of South-South cooperation - sub-regional, regional and inter-regional. The impact of globalization and liberalization on the developing countries will itself enlarge the scope for such cooperation.

The impact of globalization and liberalization on South-South cooperation is not the only issue. Recent years have witnessed the emergence of cooperation groupings that link up the major industrialized countries of the world with some, but not all, developing countries. Such "mega blocs" as the European Union (EU), the North American Free Trade Agreement (NAFTA) and the members of the Asia-Pacific Economic Cooperation (APEC) include developing countries either as members or as partners enjoying special relationships. They aim at preferential or free trade arrangements among the participants that overlap or cut across the arrangements of South-South groupings. This development, whatever it merits, runs counter to the concept of "generalized" preferences for all developing countries that won acceptance as far back as 1964 at UNCTAD I and that came, since then, to be incorporated, as the Generalized System of Preferences - the GSP - into the tariff regimes of the developed countries. It raises the problem of the exclusion or discriminatory treatment of non-members of these groupings by their members, be they developed or developing countries, as well as of "patron-client" relationships among the members themselves. Issues such as these are made even more complex by the membership of individual countries in multiple cooperation groupings and arrangements.

The impact of the benefits of globalization has been highly uneven.

All this points to the need for giving special attention to the implications of these trends for South-South cooperation at all levels - including the initiative for the Global System of Trade Preferences, open to all developing countries, the GSTP. There are some who see the new developments as a kind of "open regionalism", a fast track on the road to universal free trade. But there are also concerns that such developments may result in a fragmented world trade system that retards globalization and liberalization and that undermines, at the same time, the dynamics of South-South cooperation. There are suggestions that the "mega blocs" should extend the benefits of preferential market access to all developing countries while expanding progressively their developing country membership. There are also suggestions that South-South groupings within these larger blocs could still find areas for fruitful cooperation among their members.

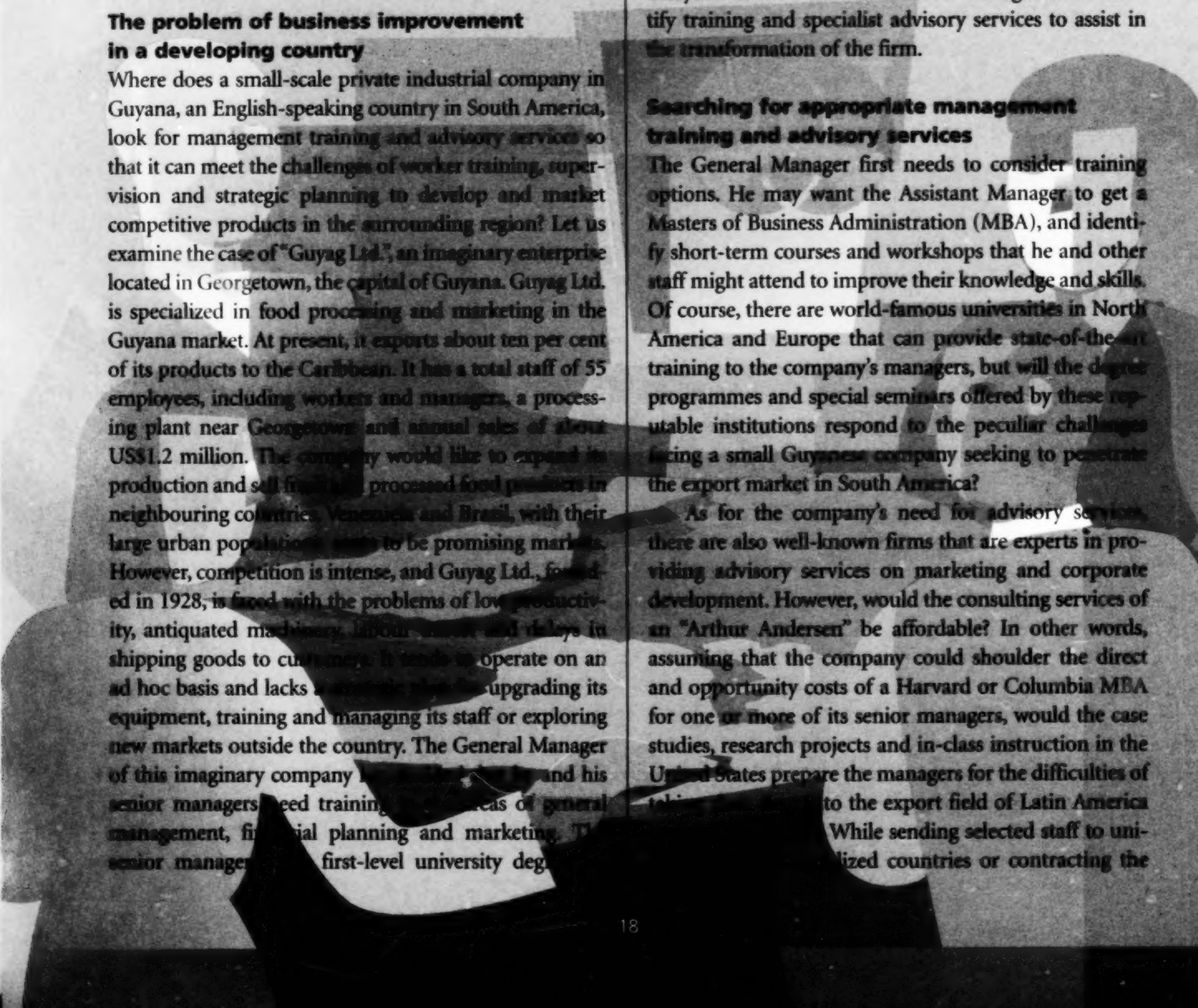
There is one aspect of South-South cooperation that attains a new urgency and relevance in the background of globalization and liberalization. This is the need for developing countries to strengthen and reinforce their effectiveness in multilateral processes and organizations. All developing countries have a stake in a global economic environment that is supportive of development. Yet no developing country by itself, whatever its size, has the capacity to determine the nature, let alone the outcome, of the various negotiating processes that shape the course of the world economy. The strength of the developing countries in multilateral institutions lies in their numbers and this strength needs to be mobilized. The creation of the Group of 77 in 1964 did, in a sense, launch the North-South dialogue. But in recent years, with the growing vulnerability of developing countries to external developments and their preoccupation with internal policies, the Group has experienced a decline in cohesion and effectiveness. The need to face up to and reverse this situation is a challenge to South-South cooperation. The challenge is substantive as much as organizational. The developing countries need to re-state and recast their negotiating platform. Many of the themes and objectives of earlier times remain valid. But new issues have also arisen and even old issues need to be re-stated to reflect the present changed scenario. The purpose of the platform would be to contribute to the quest for solutions that would gain universal acceptance, by the North and South alike. Preparedness for multilateral negotiations is thus a major dimension of South-South cooperation. It has acquired a new urgency in the context of trends towards globalization and liberalization.

Globalization and liberalization have not made irrelevant the groupings of industrialized countries and the cooperation arrangements between them. Likewise, the new trends should not be allowed to undermine the validity of cooperation among developing countries, whether at the sub-regional, regional or inter-regional levels. ❖

Training and Advisory Services for Business through the World's Largest TCDC Data Base

BY DR. ERIC ALLEMANO

TCDC's role in private sector development is described by Dr. Eric Allemano, a training, information and human resource specialist who has designed and conducted training on development cooperation in general and TCDC in particular in different regions of the world.



The problem of business improvement in a developing country

Where does a small-scale private industrial company in Guyana, an English-speaking country in South America, look for management training and advisory services so that it can meet the challenges of worker training, supervision and strategic planning to develop and market competitive products in the surrounding region? Let us examine the case of "Guyag Ltd.", an imaginary enterprise located in Georgetown, the capital of Guyana. Guyag Ltd. is specialized in food processing and marketing in the Guyana market. At present, it exports about ten per cent of its products to the Caribbean. It has a total staff of 55 employees, including workers and managers, a processing plant near Georgetown and annual sales of about US$1.2 million. The company would like to expand its production and sell fresh and processed food products in neighbouring countries. Venezuela and Brazil, with their large urban populations, seem to be promising markets. However, competition is intense, and Guyag Ltd., founded in 1928, is faced with the problems of low productivity, antiquated machinery, labour unrest and delays in shipping goods to customers. It tends to operate on an ad hoc basis and lacks a strategic plan for upgrading its equipment, training and managing its staff or exploring new markets outside the country. The General Manager of this imaginary company [illegible] and his senior managers need training [illegible] areas of general management, financial planning and marketing. The senior managers [illegible] first-level university [illegible] finance, accounting and business administration from the national university, but none has had any substantial training in the past 15 years. The General Manager of Guyag Ltd. would like to upgrade his own skills and those of his senior staff. He also feels that a special outside consulting team would be able to suggest strategies for improving the management of the firm so that it could prepare to compete in the export markets. The following analysis will show how the General Manager could identify training and specialist advisory services to assist in the transformation of the firm.

Searching for appropriate management training and advisory services

The General Manager first needs to consider training options. He may want the Assistant Manager to get a Masters of Business Administration (MBA), and identify short-term courses and workshops that he and other staff might attend to improve their knowledge and skills. Of course, there are world-famous universities in North America and Europe that can provide state-of-the-art training to the company's managers, but will the degree programmes and special seminars offered by these reputable institutions respond to the peculiar challenges facing a small Guyanese company seeking to penetrate the export market in South America?

As for the company's need for advisory services, there are also well-known firms that are experts in providing advisory services on marketing and corporate development. However, would the consulting services of an "Arthur Andersen" be affordable? In other words, assuming that the company could shoulder the direct and opportunity costs of a Harvard or Columbia MBA for one or more of its senior managers, would the case studies, research projects and in-class instruction in the United States prepare the managers for the difficulties of [illegible] to the export field of Latin America [illegible] While sending selected staff to uni- [illegible] lized countries or contracting the services of the major global consulting firms might be a possible solution to the company's problems, it can also explore management training opportunities and advisory services in other developing countries. Not only would the cost of training and consulting be lower, but the managers would be able to develop knowledge and access expertise related to the conditions of the region. Furthermore, the company could discover that full or partial financing of the training can be found through international institutions, regional development banks, inter-governmental institutions and even the governments of other developing countries that offer appropriate training and advisory services. If Guyag Ltd. decides to explore management training and consulting opportunities with the assistance of other developing countries, it will be using a TCDC approach to finding technical solutions to its needs.

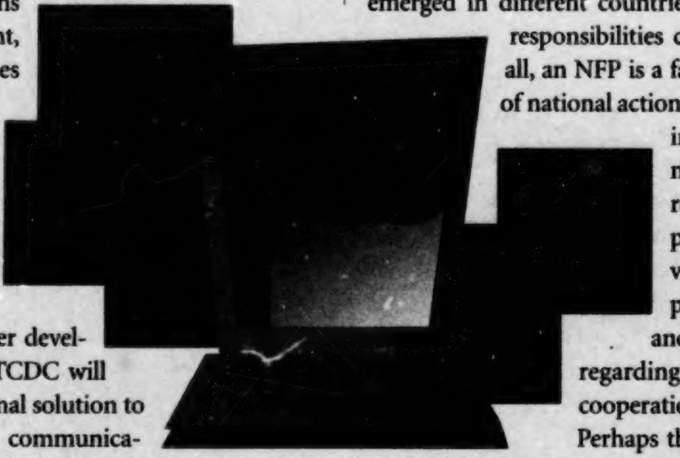
TCDC has come to be an attractive tool for providing appropriate development stategies.

The advantages of using TCDC for training and advisory services for business development

Technical cooperation among developing countries, or TCDC, is a way by which two or more developing countries can share or provide one another with technologies, equipment, training or expertise that meet their respective development needs. TCDC, or South-South cooperation is a complement to, and not a replacement of, cooperation and technical exchanges that industrialized countries provide to developing countries, often referred to as North-South cooperation.

TCDC has come to be an attractive tool for providing appropriate development strategies for several reasons. Developing countries in all regions of the world have made considerable, but often poorly documented, progress in the past 50 years in many sectors of development, ranging from agriculture to industry and transportation to trade. The expertise and technologies that have made this progress possible are a synthesis of approaches from many sources. Some technical approaches have been innovated locally through original research and experimentation, while others have been adapted from methods used in industrialized countries. In such cases, institutions in developing countries have often devised innovative technical applications and training strategies adapted to their own needs. In some cases, TCDC is used as a way of spreading the use of these innovations to other developing countries. For example, Las Gaviotas, a technological research center located on the plains of north-east Colombia, uses sophisticated research methods, including computer models, to design low-cost and efficient devices that run on a variety of energy sources, including wind, water and stationary bicycle power to pump water or operate simple food processing equipment. Researchers and students from all over Latin America go to Las Gaviotas to participate in research projects and devise applications for the results of the research in their home countries. Once a type of equipment is perfected, its design is made available to interested institutions in other countries. Unfortunately, the exciting innovations devised at Las Gaviotas and similar institutions throughout the developing world are disseminated quite slowly, mainly because potential clients and participants are unaware of these possibilities.

Industrialized countries and international organizations offer development assistance that local institutions like Guyag Ltd. can access through their national governments. However, the projects financed by industrialized countries often tend to reinforce a certain "technological dependency", as expertise and procurement are often part of "tied aid" arrangements. This means that project procurement is done in the donor countries. In the area of training and human resource development, fellows and trainees from developing countries are often sent to universities and training institutions in the North, whose instructional programmes do not always provide skills that are applicable to the participants' needs and means once they return to their home institutions in the South. Furthermore, such technical cooperation frequently contributes to the "brain drain", as a significant percentage of scholarship students and fellows who go to the North for training do not return home. Once they have advanced degrees in medicine, engineering, biotechnology and other fields, graduates from the South are doubly discouraged from going home. First of all, economic reasons may drive them to seek work in the countries where they have been trained, as salaries for skilled professionals in the North are far greater than those in the South. Secondly, the graduates are often unable to apply their knowledge and skills in their home countries, where national institutions may lack the equipment, funding and facilities required to use the skills the graduates can offer. These are considerations that would make it worthwhile for the small Guyanese company to seek training opportunities in other developing countries. While TCDC will not, by itself, provide a final solution to problems such as poor communications, low investment and poor infrastructure in developing countries, it does offer a wide range of choices of technology, training and expertise adapted to the needs of developing countries. The problem for leaders and managers in developing countries is to find out where to go for training and expertise in other developing countries.



Using TCDC tools in accessing training and advisory services

The main difficulties in spreading the use of TCDC as a tool in finding appropriate and sustainable technical solutions to development problems, are a lack of awareness of opportunities and a lack of commitment to searching for such solutions in other developing countries. As a result, many developing countries continue to import technologies from industrialized countries whose costs, including training, maintenance and spare parts, cannot easily be sustained by local resources.

Given these challenges, how might Guyag Ltd. identify sources of training and advisory services in developing countries? Its first step should be to contact the TCDC National Focal Point, located in the Guyanese Ministry of Foreign Affairs. The National Focal Point mechanism is at the centre of the promotion of TCDC and may be part of a governmental ministry or planning unit, as in Guyana. In other countries, it is an independent institution, charged with coordinating technical cooperation with other developing countries. In spite of the organizational diversity of NFP structures that have emerged in different countries, certain common NFP responsibilities can be identified. First of all, an NFP is a facilitator and coordinator of national action on TCDC. It provides the information on national needs and capacities and represents the national policies and action vis-à-vis foreign partners in preparing TCDC activities and conducting negotiations regarding international technical cooperation.

Perhaps the most significant information tool available to organizations such as Guyag Ltd. is a computerized database that has been provided by UNDP to National TCDC Focal Points worldwide. As will be discussed, the database is accessible not only through TCDC National Focal Points, but also through UNDP field offices and directly, through UNDP headquarters in New York.

Obtaining information from TCDC-INRES

The database is known as TCDC-INRES (Information Referral Service) and it provides information about institutions in developing countries offering training, consulting and expert services. Housed in the Special Unit for Technical Cooperation among Developing Countries (SU/TCDC) at UNDP headquarters in New York, but accessible worldwide, TCDC-INRES currently contains the equivalent of some 30,000 pages of information in English, French and Spanish on institutions in developing countries.

Types of information available on each institution

TCDC-INRES maintains basic information on each institution, such as its address and annual budget, whether it is a governmental organization, an NGO, or in the private sector, its purpose and main activities. In most cases, there is also information on its research and testing equipment, computer hardware and software configurations, technical staff and information services. Information is also available on the institution's affiliations, associations or joint ventures in which it participates. The emphasis in the database, however, is on the training programmes of the institutions and their capabilities to offer expertise in their respective fields. For example, users can tap information on over 11,000 training programmes and 8,000 expert and consultancy services offered by the registered institutions. As indicated above, the training and expert services cover a wide spectrum of fields relevant to developing countries. To cite a few examples, over 1,300 training programmes are offered in the field of agriculture, nearly a 1000 in health, over 600 in management, 300 in economics, 300 in technology and so on. The most common misconception about the database is that it contains information on institutions in industrialized countries. TCDC-INRES is in fact the world's largest data base devoted exclusively to training and advisory resources in developing countries.

> *Projects financed by industrialized countries often tend to reinforce a certain "technological dependency".*

It is up to the requesting institution to find financing for training and advisory services, as TCDC-INRES does not have resources for such purposes. Possible sources of financing are discussed below.

For each training programme, there is a description of the programme and the basic elements of the curriculum, the language of instruction and the starting date of training. Most registered institutions give the duration of training and application deadline, degrees or certificates awarded, prerequisite educational and professional qualifications and financial cost to participants.

For the institutions' area(s) of expertise, there is information on projects which the institution has implemented as an indication of its particular capabilities. There is a description of the specialized area of the project, the amount of the contract, the name of the sponsor, the language used in the project, and the country or countries in which the project was implemented.

The reliability of the information

TCDC-INRES, like most similar referral services, cannot guarantee that each institution about which it provides information will be capable of meeting the user's requirements. Instead, TCDC-INRES provides information on each institution that should be sufficient for the user to decide which ones are most likely to meet its requirements.

For users seeking expertise in other developing countries, TCDC-INRES can almost always select institutions on the basis of information on projects implemented by them. This information is usually quite accurate and can easily be verified. The names of the sponsors, or recipients, of projects are provided, so that the user can find out whether the project has been satisfactorily implemented. Past performance has proved to be a very good indicator of the quality of services offered today.

A search of the database for institutions providing management skills training and advisory services

If Guyag Ltd. decided to identify institutions in other developing countries that offer training and advisory services in management, the company could consult the TCDC-INRES database not only through Guyana's TCDC focal point in the Ministry of Foreign Affairs, but also through the UNDP Field Office in Georgetown.

Alternatively, the company could contact the Special Unit for TCDC in New York directly. In the context of this imaginary case study, an actual search of the TCDC-INRES database produced some interesting results, highlighted below. Because Guyag Ltd. is interested in marketing its products in the region, the search focussed on Brazil, Venezuela and Colombia. The key word, "management" was used to search for institutions in those countries. The results were remarkable; over 100 of the pages printed out by the INRES computer in New York listed institutions in Brazil alone. Somewhat fewer institutions were listed in Venezuela and Colombia. For the purposes of this case study, one institution in each of Guyana's two largest neighbours, Brazil and Venezuela was chosen to be highlighted, not only because it offered training and advisory services in management, but provided these services in English (in addition to Portuguese, Spanish and other languages). None of the Colombian institutions mentioned training or advisory services in English. (One of the findings of the search is that language is a potential limitation for certain TCDC exchanges.) Nevertheless, direct follow-up with some of the institutions in the printout might reveal that some may actually have an English language capacity for specially requested courses or consultancies that are not part of their regular programmes listed on their registration forms.

In any event, the search revealed two immediately interesting sources of English-medium training for the Guyanese company.

Resources in Brazil

First, the Ibero-American Network of Industry - University Cooperation Management of Sao Paulo Brazil is a recently-established organization (1993) that describes itself as a "governmental-intergovernmental institution established to ... share experience and provide guidance to improve the management of the interface between the academic world and the productive sector. The network has no permanent staff, but it comprises the best experts in Latin America, Spain and Portugal on all subjects related to industry-university cooperation. The international coordinator is an engineer, fluent in Portuguese, Spanish, English, German, Hebrew and French. Most members of the network are fluent in Spanish, Portuguese and English."

The institution's training specialties are management development, network analysis and organizational development. The institution provides tailor-made courses, seminars or workshops on industry-university cooperation management and related subjects. The training is offered in Portuguese, Spanish and English many times per year. The cost of training is not specified. The Ibero-American Network of Industry-University Cooperation Management mentions feasibility studies, problem analysis and surveys as the focus of its most recent project linking institutions in Argentina, Brazil, Chile, Colombia, Costa Rica and Mexico. The institution appears to offer the kind of flexibility and expertise that Guyag Ltd. may require, either in the form of special seminars organized in Guyana or in Brazil or a consultancy in Georgetown.

Resources in Venezuela

The next item chosen from the search of the TCDC-INRES database was a suitable Venezuelan institution that Guyag Ltd. could contact for further information about management training and consultancies to suit its needs. The institution is called Corpoindustria, located in Maracay, in Aragua State (Venezuela). Founded in 1974, it is a governmental-intergovernmental organization whose purpose is to support small and medium industries through financial and technical support as well as through the promotion of industrial parks. Corpoindustria is staffed with economists, administrators, accountants, engineers, industrial relations specialists and lawyers. Training is offered in English, French and Spanish. Of particular interest to Guyag Ltd. is a training programme called "EMPRETEC - Programme of Management Training", focussed on business consulting and entrepreneur training.

The programme is oriented to businessmen or entrepreneurs with innovative ideas which preferably include a technological base. The two-week programme costs US$200. EMPRETEC seems to be an interesting training option for Guyag Ltd. to consider.

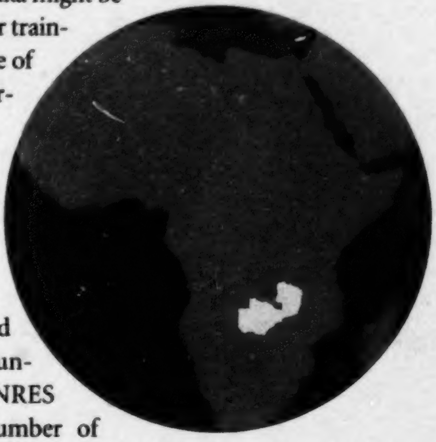
Because of the language restrictions that would make it difficult for Guyag Ltd. to cooperate with many training institutions in Brazil and Venezuela, the search was extended to English-speaking developing countries in other regions. While these institutions would not offer the market-specific information about selling products in Brazil or Venezuela, these countries offered particularly attractive institutions that could provide very competent and cost-effective management training and advisory services to Guyag Ltd.

Resources in Zambia

An interesting institution newly-registered with TCDC-INRES is the Zambia Institute of Management, located in Lusaka, Zambia with campuses in several locations around the country. Founded in 1974 as a non-profit, non-governmental organization, the Zambia Institute of Management concentrates on "...the delivery of the highest quality training, research and consultancy interventions and thereby [the promotion] of the best management practices in the client organizations. This goal will be achieved by ensuring that the programmes are customer-driven and that our members of staff are highly qualified, competent and well-motivated." The Institute's staff give courses in ten key areas, including accountancy and financial management, general management, procurement, information technology, marketing management, business strategy and organizational development. All instruction is in English. Tuition costs range from US$200 to US$600 per trainee, depending on the course and its duration. In addition to training courses, the Zambia Institute of Management offers expert services in feasibility studies, problem analysis and surveys, project management, on-the-job training and applied and technical research.

The Institute's registration notes that it is affiliated with bodies such as the East and Southern Africa Management Institutes and is accredited to international examination bodies such as the London Chamber of Commerce and Industry, the Association of Accounting Technicians and the Institute of Data Processing Management of the United Kingdom.

Zambia has the advantage of being a Commonwealth country like Guyana, and the Zambia Institute of Management's financial and accounting courses would probably be more consonant with regulations and practices in Guyana than similar courses in Brazil or Venezuela. Thus, Lusaka might be an attractive venue for training and a good source of certain advisory services for Guyag Ltd.



Resources in Cyprus

In exploring possibilities in an English-oriented middle-income country, the TCDC-INRES search yielded a number of possible institutions on the island of Cyprus. Of particular interest to Guyag Ltd. is the Mediterranean Institute of Management (MIM), in Nicosia. Its registration information indicates that it is a governmental-intergovernmental institution founded in 1976. MIM declares that its purpose is to serve as "the international component of the Cyprus Productivity Centre. A postgraduate diploma programme, the conceptual framework and content of which take into consideration the specific needs of developing countries, has been the most significant activity of the MIM since its establishment. Through this programme, organized annually between September and July, quality management education is provided to university graduates from developing countries, aiming primarily to train them [to] execute effectively the usual duties of assistant manager or functional manager. Additionally, responding to requests from abroad, the MIM organizes short upgrading package programmes and seminars in all fields of management designed to satisfy specific training needs of private and public organizations. It undertakes research and management consultancy projects." MIM is staffed with specialists in business administration, management, marketing, economics, sociology and other related fields.

Two of MIM's programmes would appear to be particularly appealing to Guyag Ltd. The first of these is the MIM Post-Graduate Management Diploma Programme, concentrating on management and marketing. The eleven-month programme "provides the participants with a sound framework of concepts and analytical methods and techniques which, coupled with company visits and on-the-job training, equip them to execute effectively the usual duties of assistant general manager, manager or functional manager. Basic admission requirements are a university first degree or equivalent and very good knowledge of English." The programme's tuition is about $2,200.

Examples drawn from the TCDC-INRES data bank reveal that there is a wide range of choices for training and advisory services.

The other programme that appears to be appropriate to Guyag Ltd.'s needs is MIM's Research and Management Consultancy Project, which is customized to the needs of client institutions. MIM can provide advisory services in management and management research. Costs are not quoted in MIM's INRES registration.

The Mediterranean Institute of Management is affiliated with the University of Birmingham in England, which recognizes the MIM Diploma as equivalent to the first year of its two-year MBA programme.

In conclusion, these four examples drawn from the TCDC-INRES data bank reveal that there is a wide range of choices for training and advisory services available in neighbouring or more distant developing countries. Thus, Guyag Ltd. could follow up by contacting these (and other) institutions to determine which would best meet its strategic development needs.

Financing the training or advisory services

If Guyag Ltd. is at least moderately profitable, it should be able to finance some of the costs of training and advisory services, particularly tuition for the shorter courses and workshops in near-by Brazil and Venezuela. If, however, it chose to send some of its staff to Cyprus or to Zambia, or bring in experts from those countries, the travel costs would be considerably higher. In this case, the company could investigate several options. First, is the possibility of financing from bilateral agreements between Guyana and the four other countries. The governments of Brazil and Venezuela both use national resources to finance their own TCDC programmes with a particular focus on countries in the region. Contacts with their respective international cooperation agencies could be made through the Guyanese National TCDC Focal Point, located in the Ministry of Foreign Affairs.

A second possibility is to obtain financing through inter-governmental organizations. The National Focal Point could also make inquiries in SELA[1] about financing for a company like Guyag Ltd. The Inter-American Development Bank is also an option to explore with the help of the National Focal Point. Finally, the National Focal Point could advise the company about financing through the United Nations development system. Organizations such as UNDP may be in a position to provide catalytic funding for the training or advisory services by paying for the international travel, particularly if the Guyanese staff were to go to countries such as Cyprus or Zambia or if these countries were to provide on-site advisory services to an institution such as Guyag Ltd.

Special Note:

How to contact TCDC-INRES

It is easy for an individual or an institution to access the information in the TCDC-INRES data bank. The service can answer correspondence in English, French or Spanish or reply to an TCDC-INRES Information Request Form which can be obtained from any UNDP field office. Correspondence should be addressed to the local UNDP field office for forwarding to

TCDC-INRES, or directly to:

TCDC-INRES,
SU/TCDC, UNDP
FF1210
P.O. Box 1608
Grand Central Station
New York, NY 10163-1608
U.S.A.

Urgent requests can be made by telephone at (212) 906-5141 or 906-5140, by cable to UNDEVPRO NEW YORK attention INRES, by fax at (212) 906-6429, or by telex number 125980 attention INRES. UNDP field offices and requesting institutions which have electronic mail may also send requests to UNDP via E-mail at aworede@UNDP.org. The following must be specified in requests:

1. Types of Service Needed

For example, explain as specifically as possible the objective of the inquiry, e.g. if the staff in a certain organization needs training and whether academic or vocational training is required.

If an organization requires expertise or the services of consultants, the service can narrow down the selection on the basis of several criteria. The requesting organization should specify whether the potential provider of services should already have had experience in carrying out feasibility studies, evaluation of bids, supervision of projects or in providing technical assistance, etc.

The financial size of previous contracts and whether a particular organization financed the projects can also be taken into consideration if this information is required. Finally, one should indicate whether the institutions or firms must have had experience in providing these types of services to a particular region or country.

2. Language requirements:

◆ Specify the language(s) the expert(s) should speak or in which the training courses should be given.

3. Area of need for services:

◆ For example, if one needs to know about "crop protection" one should so specify, rather than say "agriculture". Similarly, if one needs to know about "castor beans", it is not necessary to ask for "vegetables", "legumes" or even "beans"; one may merely specify "castor beans".

4. Type and location of institution:

◆ Specify the geographic region(s) or list the developing country or countries in which the institutions should be located;

◆ Indicate whether information is needed on all types of organizations or governmental, semi-governmental, private sector and/or non-governmental organizations.

◆ If other information such as the equipment, staff, publications, databases or joint ventures of institutions are relevant, please ask for it specifically.

Within 24 hours of receipt of a request, TCDC-INRES will reply be sending a computer printout by E-mail, airmail or UN diplomatic pouch, as appropriate. However, if the request specifies that the answer is ***urgently required,*** the most important parts of the printouts will be E-mailed, telexed or faxed the ***same day***.

The next step is for the person making the request to contact the institutions identified by the search directly to obtain the desired services. ❖

Footnote

1. Sistema Economico Latino-Americano, or Latin American Economic System, a Latin American intergovernmental organization based in Caracas, Venezuela, whose mission is to promote economic cooperation in the region through TCDC.

Environmental Economics in the Context of Technical Cooperation Among Developing Countries

BY GEORDIE COLVILLE

Geordie Colville is an Environmental Economist working for the Global Environmental Facility (GEF). In this article he applies a basic principle of Environmental Economics to a problem shared environmental resource and its levels of use by the different owners suggesting TCDC as the means for effective shared sustainable development. The water resource of the Okavango river basin, shared by Namibia, Angola and Botswana, is currently being depleted through over-use. Through the observance, by each country, of basic economic principles the use of water can be regulated.

Introduction

It is timely to introduce environmental economics to the subject of Technical Cooperation among Developing Countries (TCDC), in the light of the new directions for TCDC.[1] This suggests that TCDC must recognize issues of globalization and the associated strengthening of market forces, and that management of the environment in the broadest sense has become a focal point for TCDC. This article argues that the field "environmental economics" can be effectively addressed through (technical) cooperation among (developing) countries. It suggests there can be more economic benefit in cooperative agreements relating to the use of shared environmental resources than there is by observing national interests only. A specific case study of a water catchment area which links three countries, is used to demonstrate this argument. There are two roles, in particular, that TCDC could assume in this scenario, 1) "support for the formulation of national policies for TCDC" to facilitate a cooperative environmental agreement, for instance regarding monitoring of the agreement, and 2) "capacity and needs matching," to facilitate the scientific capacity necessary for such a cooperative agreement.

To be involved in the promotion of cooperative environmental agreements among developing countries would serve a further TCDC objective of being proactive, creative and innovative. The case study of the Okavango is an important example of a unique biological resource under the pressures of development. It is also characterized by the challenge of being a resource shared by three countries and therefore constitutes an excellent example of how technical cooperation among developing countries can play a key role in shared sustainable development.

Case study - Okavango river basin

The Okavango river basin runs from Angola through Namibia and Botswana to the Okavango Delta. In Angola it forms the principle southern drainage system for the central Angolan highlands with a catchment area of 188,000 km.[2] In Namibia, the Okavango river flows for 500 km. along the northern Kavango region, helping to support a large part of the rural economy in this highly populated area. In Botswana the Okavango supports the fragile ecology of the Okavango swamps as well as domestic mining and agricultural developments. In Botswana and Namibia it is estimated that at least 190,000 people utilize the Okavango River for their livelihoods.

As an environmental resource it has the following attributes: it supports rural economic activity and mining described above; it is a unique inland delta biome in an arid setting; it supports indigenous biodiversity; and it is a critical staging point for migratory birds in the southern hemisphere.

Major threats to this resource are population growth and changes in population distribution. A primary effect of this on the environment will be land degradation which in turn, will have a major impact on the quality and quantity of river flow downstream.

Economic argument for cooperation among riparian countries of the Okavango river basin

This case study describes a uni-directional externality, where the activities of an upstream country (Angola) cause economic damage to downstream countries (Namibia and Botswana) which go uncompensated. In this case it is a lowering of the quality and quantity of downstream flow through increased sediment levels by upstream activities.[3]

Figure 1: Marginal Costs and Benefits; Okavango River Basin Sedimentation Levels

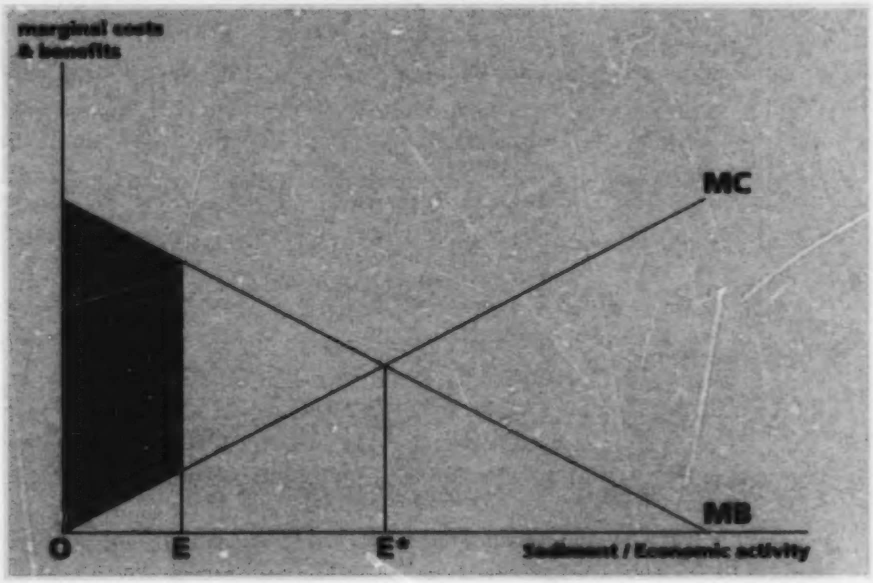


Figure 1 above shows two curves, MB, the marginal benefit from a reduction in sediment levels to the Okavango, and MC, the marginal cost of reducing sediment levels. The area under each curve represents the level of benefit or cost. By making the assumption that there is a linear association between sediment levels in the Okavango river and economic activity surrounding it (e.g. farming)[4] in Angola, then the X axis of Figure 1 can be used to represent levels of economic activity and sediment levels simultaneously.

In the absence of an agreement between any of the countries, Angola has the economic incentive to maximize profit from economic activities (the area under the MB curve). Economic activity is likely to be higher in the absence of costs incurred by increased sediment levels.

By considering the Okavango as a single entity, and not as three divided political entities, benefits from its use can be maximized. Point E in Figure 1 shows sediment levels where the costs of reducing sediment levels are represented by the shaded triangle and the benefit of sediment reduction is represented by the whole shaded area. The net level of benefits (benefits minus costs) are maximized at E^*.[5]

The Coase theorem tells us the E^* can potentially be achieved by bargaining between the countries. Depending on the rights relating to water quality of the Okavango:

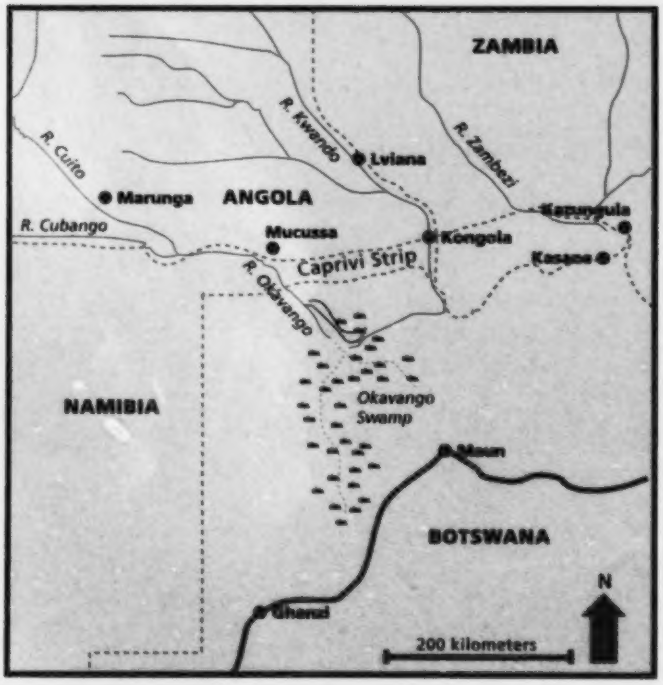
◆ the downstream countries, Namibia and Botswana, could compensate Angola for reducing its sediment levels to E^* (the victim pays principle), or

◆ Angola could pay for the damage resulting by raised sediment levels (the polluter pays principle).

To elaborate this point, however the property rights stand, the costs of reducing sediment will be less than benefits gained, up to point E^*. Beyond E^* the costs of sediment reduction become greater than the benefits. The level of compensation should be at a level which will act as an economic incentive to reduce sediment levels to E^*. Much economic theory has been devoted to the types of instruments that can be used to facilitate a bargaining agreement (e.g. through taxes and permits).

The next question is why E^* is not achieved in the market place without intervention. The Coase theorem makes certain assumptions and the above economic model of the Okavango river basin is highly simplified. One reason for the absence of bargaining may be transaction costs. In this case such costs may include the costs of economic and environmental surveys to establish the status quo and the costs of monitoring such an agreement. The party monitoring the agreement must be seen to be impartial by all countries party to the agreement. This is an area where TCDC may be able to assist in facilitating a cooperative agreement, both in needs matching to provide monitoring needs, and in support for the formation of national policies to strengthen cooperation between the three countries.

The current situation between Angola, Namibia and Botswana is that they have already established the Permanent Okavango River Basin Water Commission (OKACOM) to coordinate the sharing of the Okavango's resources among the three countries. However, there is no certainty that the current levels of resource use are optimal. An environmental assessment has already been proposed for the area to establish current levels of resource use. In addition to this, an economic survey could establish the costs and benefits of that resource use and provide an indicated of optimal levels of resource use of all three countries in the Okavango river basin.



Okavango river as a shared environment resource

There are a number of arguments for TCDC in this situation:

◆ an economic assessment (in addition to the environmental assessment and development plans) of the region to show the benefits of cooperation among the three countries can serve to strengthen and enhance existing OKACOM agreements and promote a greater depth of cooperation, since the benefits of cooperation will be made clear. An economic assessment can also serve to promote sustainable resource use.

◆ OKACOM is both an economic and an environmental agreement, both focal areas for TCDC.

◆ OKACOM shows an existing desire for agreement among three developing countries. TCDC would be building upon existing structures developed by the three countries and furthering existing cooperation. This would also fulfill a modality of shared cooperation.

In conclusion, it can be argued that TCDC, which aids economically beneficial use of environmental resources, can fulfil many of its mandates. The basic economic argument behind optimal cooperative use of shared environmental resources are highly flexible and can be replicated for many different scenarios. TCDC can be seen to be fostering such agreement, deriving lessons learned, and replicating modified cooperative economically beneficial environmental agreements in the future. The Okavango river basin has been used to illustrate the theory of the Coase theorem and there are many examples of shared environmental resources where cooperative agreements may be applicable. ❖

Footnotes

1. See United Nations TCDC High-level Committee on the Review of Technical Cooperation among Developing Countries (April 1995) New Directions for Technical Cooperation among Developing Countries.

2. The Okavango river is an integral part of the highly productive seasonally flooded wetland.

3. Sedimentation is used as a single example of an externality in this scenario, there may be many more.

4. Benefit may be short-term since soil erosion indicates unsustainable farming practices.

5. For a fuller explanation of the Coase theorem see Pearce D W & Turner R K Economics of Natural Resources and the Environment (1990).

The Industrialization of Africa: Lessons of the Asian Model

BY MABINGUE NGOM

An appropriate policy for industrial development in Africa is described by Mabingue Ngom, a Senegalese economist and planner who is presently a Humphrey fellow at American University in Washington D.C.

Since independence, per capita gross national product has remained stagnant in all of the countries of sub-Saharan Africa. Over the last few years, it has even experienced a marked decline, a phenomenon not witnessed in any other part of the world. The evolution of a number of reliable economic indicators - and, more particularly, their interrelationship - give further cause for serious concern. For example, the share of sub-Saharan Africa in world trade has fallen by half, its imports of cereals have tripled and its debt burden has increased more than twenty-fold. The rural exodus, endless financial crises, the collapse of banking institutions and capital flight are all evidence of the poor economic performance of this region of the world.

This economic failure is the root cause of the mass impoverishment now in evidence in Africa and which is inextricably linked to the massive unemployment currently affecting the region. After a period of relative optimism that continued "progress" could be achieved through education, the improvement of sanitary conditions, expansion of the wage-earning classes and increased urbanization, the countries of Africa, and particularly those of Africa south of the Sahara, are now faced with the intractable problem of unemployment, which more than at any time in the past, is upsetting the social equilibrium. The poor results achieved by many sub-Saharan African countries in dealing with the social impact of unemployment (which, moreover, is very costly) suggest the need to explore ways and means of finding a lasting solution to this difficult problem through appropriate economic policies. The search for an economic solution to the problem of unemployment is not without certain ramifications. It is based on one of the few beliefs that is shared by economists, namely, that employment is the result of economic activity. It is therefore necessary to analyze the problem of the massive unemployment that exists in Africa from the perspective of the development policies being pursued.

During this same period, Asian countries, with very few exceptions, achieved extraordinary progress. The Far Eastern Economic Review Asia 1996 Yearbook reports an average growth rate for the region (17 countries) of nearly 6 per cent during the period 1980-1993. Of course, this average should not conceal the remarkable progress achieved by certain countries, such as China (9.6%), the Republic of Korea (9.1%) and Taiwan (7.7%) or the less satisfactory performances of such countries as Mongolia (3.8%) and the Philippines (1.1%). In this region, experience has shown that small enterprises create more jobs per unit of capital invested and, since they are often located in small towns and rural areas, contribute significantly to the achievement of a better distribution of income among families and regions and between rural and urban areas.

Before examining the extent to which a development strategy centred on small enterprises can constitute an alternative, or at least a complement to the large industries that have capacity to reverse through economic growth the negative trends described above, and before we identify the models on which African countries should rely, agreement must first of all be reached on the key role of industry in the development process and on the approaches to industrial development which have led to the economic crisis (and thus to the unemployment crisis in Africa). This will then be followed by an overview of some of the more interesting experiences of Asian countries and the minimum action required to rescue industry and hence ensure growth and employment in Africa.

Development and industrialization

The concept of development and the process of industrialization are so interlinked that they are often considered to be one and the same. The United Kingdom is generally regarded to have been the first developed country because of the industrial revolution which permitted it, thanks to a series of cost-reducing innovations, to increase its industrial output fourfold after the first half of the nineteenth century. Since then, the main criterion for development has been an increase in per capita income mainly through industrialization. Each of the great powers of Europe, particularly Germany and France, which have had the greatest success, and the United States of America, copied the experience of the United Kingdom. The uncontested leaders of development in the early twentieth century, Japan and the Soviet Union, became world powers through industrialization.

It is important, however, to be aware of the shortcomings and costs associated with certain formulas for industrialization based on large and highly expensive projects like the ones which have been implemented in various countries and which, in the best of cases, have had only limited success. This is why developing countries, and Africa in particular, must actively seek alternative or complementary approaches, such as the promotion of small enterprises. The popularity of industrialization strategies based on the promotion of small enterprises is largely due to the important role which small enterprises have played in the process of transition from agriculture-based to industrialized societies within market economy countries. In the 1960s, a quarter of the manufacturing output in the United States of America, the United Kingdom and West Germany was produced by small enterprises. During the same period, in Japan, small enterprises played a key role as sub-contractors for the large companies. Thus, more than half of manufacturing output was produced by small companies which accounted for more than a third of the total number of workers. In addition, the disappointing results achieved in the efforts at industrialization undertaken throughout the world, including Africa which, although not the first victim, is without doubt one of the most eloquent examples, are sufficient reason to explore other avenues, including, evidently, those which have yielded successful results.

Since independence, per capita gross national product has remained stagnant in all of the countries of sub-Saharan Africa.

The choice of industrial strategy has deepened the crisis in Africa

Following their attainment of independence in the middle of the century, the former European colonies of Africa adopted the model of development through industrialization. The recourse to industrialization as a development priority in Africa was also supported by the idea that industry was the engine of growth and that a dynamic industrial base was likely to stimulate investments in other sectors. Using this approach, most countries have already undergone two phases of industrialization:

- the first phase, which was initiated during the colonial period and was geared towards the major regional markets, rapidly came up against the problems of limited market size in the newly independent countries and excessive State control;
- Subsequently, during the 1970's, development banks and development cooperation agencies promoted phased industrialization based on the State approach, which also failed for the same reasons of market size, although this time other factors came into play, such as the use of technology that was frequently unsuitable.

Thus, during the 1980s, with the exception of Cameroon and Côte d'Ivoire, where a fairly diversified private industrial base had been established without the support of international cooperation, the results were disappointing almost everywhere with the exception of a few areas which benefited from natural protection (see for example, La France et l'Afrique by Serge Michailof, Karthala 1993). Many operations which had succeeded in mobilizing considerable capital no longer functioned. This situation in which almost all industrial sectors experienced decline was made worse by an economic environment that provided no incentives for private investment in industry. Indeed, bureaucratic obstacles, the discretionary nature of political interventions and the high costs of the factors of production actively discouraged investors.

One of the characteristics of the African market is its Balkanization. Indeed, a plethora of micro-markets exists none of which, with the exception of Nigeria, employs the cutting-edge technologies that are common in the countries of the developed North. What is more, during the wave of industrialization which followed independence, each country established industries which competed directly among themselves. In addition, virtually the same manufacturing activities were found in all countries with production capacities far in excess of the needs of the local market. Although certain manufacturing products are obtained at lower costs per unit as the quantities produced increase, it is often costly to reach to that point, particularly in small countries where production levels can remain quite low for long periods. In terms of the approach selected, the import-substitution strategies pursued have on the whole yielded results that were short of expectations in periods characterized by falling exports.

Needless to say, many of the technologies use in the developed countries are not geared to the countries of Africa for reasons that have to do mainly with the size of markets. In general, markets in African countries are smaller than those of the major industrialized countries and the technologies were often conceived for use in large-scale operations which exceed the needs of the tiny markets of these developing countries. Since the technologies are generally designed to respond to the specific needs of the developed countries, it is quite possible that the products obtained might not be the most appropriate or simply that the required inputs might not be available at affordable prices. In both cases, technology increases dependence. This has been true, for example, of the recourse to no-iron synthetic fabrics in countries like Senegal where cotton is less expensive and a large pool of labour is available to process the cotton in all stages of its manufacture. In other words, the requirements for the transfer of technology, such as appropriate choice and peripheral modifications, have often been ignored.

HONG KONG

A profile of successful industrialization

- Average growth rate 1980-93: 7.7%
- Ranks amongst the worlds 20 richest countries
- Gross Domestic Product (GDP) increased 25-fold in 20 years
- 10th largest trading power in the world

The rate of development of manufacture, a process in which the various sectors of consumption goods develop before these are followed by industries producing capital goods, suggests that careful attention should be paid to links both within and outside the manufacturing sector because of their importance for development.

In addition to these factors, which act as constraints to the development of support services, infrastructure and the labour market, factors which can stimulate rapid urban growth, have not always received the attention they deserve in Africa. Urban development linked to a policy of concentration of the major industries in the capitals has quickly led to a massive rural exodus accompanied by, among other things, congestion and pollution. In short, large urban centres have been created in which all the social evils characteristic of large cities are concentrated, a situation compounded by the lack of basic infrastructure.

Largely because of the constraints of market size and inappropriate technological choices, in most African countries and with the exception of a few enterprises which benefit from natural protection, large industries based upon the exploitation of rare resources by or with the approval of the State have so far played only a very marginal role in economic activity and hence in employment creation. Instead, it has accelerated the process of urbanization and created many false hopes without delivering on its promises and at the same time has contributed to the economic decline of the countries concerned. In addition, the large number of bankruptcies has acted as a major disincentive to new investors and, in particular, to the emergence of new entrepreneurs at the local level.

There are, evidently, lessons to be learnt by all those countries that wish to be prepared to meet the challenges of the twenty-first century. Experience has also shown that this process of industrialization should be based on a certain logic that takes account of a variety of factors which, if neglected, inevitably brings adverse consequences. These factors include, for example, the use of technology, market size, the need for cross-sectoral exchanges, and the social crisis that results from unemployment and too rapid urbanization. The situation may be even worse in those cases in which industrialization "kills" agriculture without achieving the hoped-for results. This strategy for industrialization based on the synergy between the agricultural sector and industry which is today succeeding in a number of countries in Asia should be given careful consideration, particularly in Africa. Certain Asian countries and several, not to say virtually all African countries, should now take this reality into account when deciding on the development policies to be followed.

Lessons Asia learned from the "White Elephants"

Successful industrialization efforts begin from the bottom up: there were approximately 200 mini iron and steel mills in Taiwan when the State launched the massive China Steel plant. The entry of the Republic of Korea into the construction of large tankers was possible only because that country was able to mobilize technicians who had been trained in numerous small shipyards. The good performances currently being recorded by China, Hong Kong and Japan, on the one hand, and the experience of Mongolia and the Philippines, on the other, can help the countries of Africa and many others to reflect on their options for industrial policies.

China has succeeded in doing something which is extremely difficult in market economies: establishing small modern enterprises in rural centres to supply communes and other rural consumers with raw materials, equipment and consumer goods. Mention should be made, however, of the conditions which have made it possible for these small modern enterprises to be established in rural areas. China has found a social and technological solution that permits full use to be made of its vast labour pool while at the same time increasing its productivity to unprecedented levels. Chinese industry is now "walking on two feet" by combining large and relatively capital-intensive enterprises with decentralized and highly labour-intensive small enterprises. The spectacular results achieved in China have also been helped by the combination of appropriate technology and an efficient organization of production at the local level. This approach has enabled China to achieve a record average growth rate of 9.65 per cent during the period 1980-1993.

India, despite its status as a former colony, has had considerable success with an industrialization strategy that relies on large companies even as it vigorously promotes small industries. Today, the country's prospects for economic growth are very encouraging. Following an average rate of 5.2 per cent between 1980 and 1993, India's growth rate in 1995 was 5.6 per cent and is expected to be just over 6 per cent in 1996.

The example of Hong Kong must also be mentioned in order to clarify any misconceptions about the relationship between a country's size and its economic performance. This tiny country of a little over 1,000 square kilometres and entirely lacking in natural resources is a good example of the pursuit of an industrial policy consistent with size and potential. Hong Kong's GDP increased twenty-five fold in a little over 20 years, thus making it the tenth largest trading power in the world with exports of goods and services of nearly US$90 billion. Measured in terms of per capita exports, Hong Kong exports five times more than the United Kingdom and Japan and nearly 10 times more than the United States of America.

The first iron and steel works in Japan (1875) was a failure. One hundred years later, the Krakatau

(Indonesia) iron and steel project first appeared to be a white elephant and later experienced the same fate. Indeed, industrialization based on turn-key and managed projects is antithetical to the lengthy but effective process of social transformation. The former wipes clean the slate of the past and takes no account of the experiences accumulated. Its failure is all the more predictable in that its promoters have often adopted an unbalanced approach which takes no account of the fact that industry is a system whose proper functioning depends on the functioning of the industrial services and sub-contractors, who are sometimes non-existent.

This picture should not conceal the difficulties (virtually identical to those currently being encountered in Africa) which certain countries in Asia have experienced or continue to experience. This is the case, for example, of Mongolia and the Philippines, two countries which have had, at least up until the very recent past, less than optimal economic results, particularly when compared to the performance of their neighbours.

Compared with its neighbours in Asia, Mongolia has had a less than fully satisfactory economic performance with an average growth rate of 3.8 per cent during the period 1980-1993, while projections for 1996-1997 are even lower (3% and 3.7%, respectively). The difficulties being encountered include serious problems of technological choice. The reality is that many enterprises are operating below capacity. This is particularly true of the cement, fluorspar mining and footwear industries. By way of example, a phosphate factory capable of producing 50,000 tons began operations at Burenhan, near Lake Hovsgol. The equipment, which was purchased in Western Europe, yields poor results and, according to some sources, continues to have a negative impact on the environment.

A development strategy centred on small enterprises can constitute an alternative to the large industries.

Another Asian example of less than optimal economic performance that is mainly attributable to the industrial development strategy pursued is that of the Philippines. According to the Far Eastern Review, Asia 1994, the average rate of increase in GDP in the Philippines was 1.1 per cent for the period 1980-1991. These results were of course largely due to the import substitution strategy that was pursued over a relatively long period and the use of highly capital-intensive technologies together with the protection afforded to large, under-performing industries, to the detriment of small and medium-sized manufacturing enterprises; greater emphasis on the agricultural sector would no doubt have led to increased exports while creating more employment. The growth recorded in 1994 and 1995 (4.3% and 5.2%, respectively) point to a brighter future ahead.

A minimum programme of action which deserves the support of donors

The first thing which the countries of Africa should do is to learn from their experiences and appreciate the value and relevance of the Asian model of industrial development of which China is without doubt one of the best examples. It is clear, however, that this strategy, which may be described as balanced industrial development, can achieve the same results only if the constraints which currently affect a large number of the countries of the continent are removed.

The first requirement is for a healthy macro-economic environment without which there is virtually no chance of generating demand for goods and services that is capable of realizing the economic potential of the countries concerned in a more effective manner than could be achieved by recourse to more centralized planning.

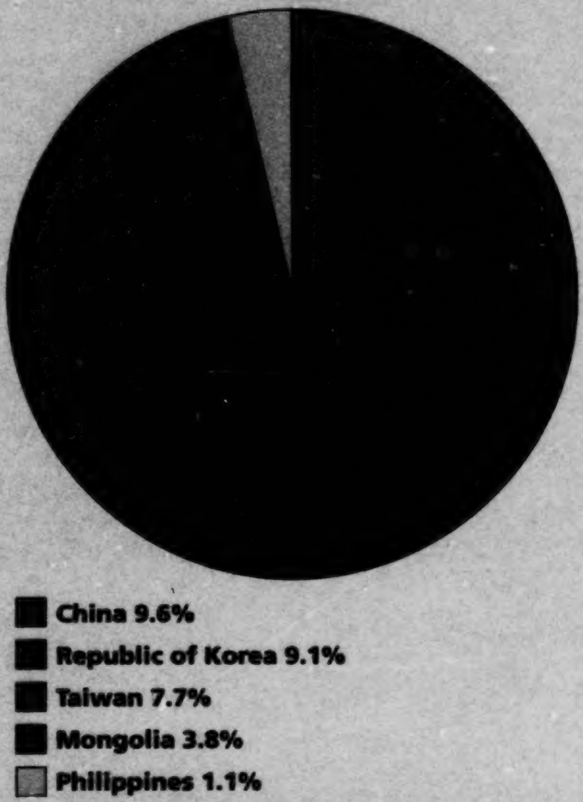
It is also important to promote the creation of an environment that is favourable to business by ensuring that the State is no longer involved in the marketing sectors of the economy and that it serves as a facilitator for all aspects of business.

The countries of Africa should organize themselves more effectively in order to gain greater familiarity with world markets and to try to identify economic niches in which comparative advantages could be developed following the example of the Asian countries. They should also provide support for industries operating in these niches.

The strategy to promote small enterprises should be based on "comprehensive policies" that minimize the costs of entry into markets, while at the same time stimulating demand. It should include an ambitious training programme for potential entrepreneurs aimed not only at preparing them to conduct business more effectively but also at developing a positive attitude on the part of government officials with a view to making them more sympathetic towards entrepreneurs. A more positive attitude on the latter's part towards the informal sector and towards deregulation measures is also desirable.

The availability of development financing that is better suited to local realities and to the scale of activities should be increased and competition in the banking sector encouraged in order to respond to the needs of all potential clients.

The donor community can find within this matrix the elements of a programme of support aimed at supporting the initiatives of African countries seeking to overcome their current economic stagnation and to ensure for their future generations less suffering and more reasons for living. By agreeing to pursue their actions within this framework, without divisions or restrictions, in other words, on the basis of a genuine programmatic approach, they will have contributed to the alleviation of poverty in Africa. ◆



Average growth rate 1980-1993
Selected Asian countries
Overall average 6%

Collective Self-Reliance in Africa: Rewriting the Headlines

BY ABDEL RAHIM M.A. DIRAR

Mr. Dirar is the Director of the Organization of African Unity (OAU) Economic Development and Cooperation Department (EDECO). He has been working with the OAU since 1968 in different countries.

Latter-day Cassandras and prophets of doom have been waxing positively baleful over Africa. This continent has variously been described as a "human and environmental disaster area;" "struggling to keep up with the nineteenth century;" a continent so mired in political, economic and social woes as to be incapable of the firm decisive steps that the road to modernization requires. Numerous fears have been expressed about the ability of this region to make the necessary adjustments in order to begin to respond to the demands of the twenty-first century. In large measure, this doom-saying reflects the legacy of what have certainly been some of the most grotesque manifestations of the colonial impulse that the world has seen - tensions between as well as within states on opposite sides of hastily and thoughtlessly drawn dividing lines, and political instability.

No less ruinous in their consequences have been a number of structural factors inherited by most of these countries - among them, little scope for horizontal cooperation, since the economies were all geared to production of raw materials for the benefit of the metropoles in the industrialized world, and poor or non-existent physical and institutional infrastructure. All these factors came, in turn, to be aggravated by a number of natural and other phenomena - prolonged and massive desertification in certain parts of the continent, famine, drought and pestilence which, thanks to developments in satellite technology, made the headlines in the rest of the world, reduced millions to objects of international charity, and helped reinforce the image of a continent overwhelmed while other developing regions moved, albeit at varying rates, along the road to development.

But for all who will see, Africa is in the process of dictating the terms of the international headlines with respect to it. The region is re-mobilizing its internal forces in order to arrest economic deterioration, promote economic development and strengthen unity of action. The Abuja Treaty establishing the African Economic Community (AEC) came into force in May 1994. "Africa must cultivate the virtue of self-reliance," states the preamble to the Lagos Plan of Action. That plan had reaffirmed that "the development of (the) continent is the primary responsibility of (African) Governments and peoples." In June 1995, OAU Heads of State endorsed the Cairo Programme of Action for Relaunching Africa's Economic and Social Development which identified the priorities for action. That programme, which became the basis of the new United Nations System-Wide Initiative for Africa, constitutes a framework for intensified cooperation for the OAU and its membership. It may be too soon to say what practical changes have been wrought by the Cairo Agenda, but there is one aspect of that document that encourages expectation: on this occasion African Heads of State seemed to be driven as much by the enormity of the challenges facing their countries as by their recognition of the inadequacy of their responses to those challenges. The cornerstone and centre-piece of the reinvigorated thrust that the Cairo Agenda represents is collective self-reliance, and the African region is unsheathing its powerful secret weapon in its implementation - the recognition that in the current international context, there is no other option available to it.

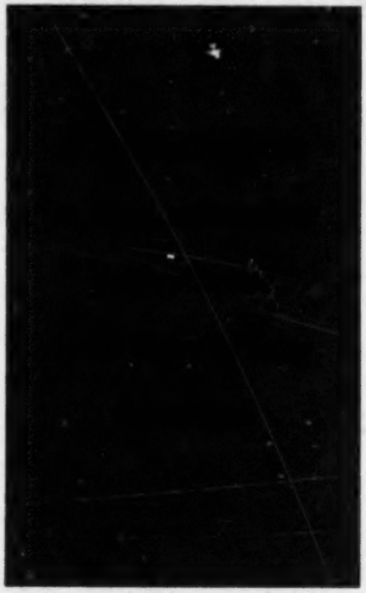
The historical record

Africa's efforts to institutionalize self-reliance have been of long duration, if somewhat less than glorious. Three distinct phases can be observed. The first which began in the early 1960s was that of coordinated assistance by the few independent countries at the time, to enable liberation movements to acquire the necessary skills and training in preparation for independence. The second, beginning in 1968 with the adoption of resolution 164 (XI), was an attempt by the OAU, to establish itself as a clearing-house for information on the availability of and need for cadres in the various member States. The high-point of this phase was the submission to the OAU Summit in Kampala in 1975 of an Inter-African Convention establishing a Technical Cooperation Programme, with provision for a Technical Cooperation Fund. The convention never received the requisite number of ratifications. After a quietus of ten years between 1975 and 1986, when the OAU's attention was largely absorbed with drought-induced famine and the continent's economic crisis, came the third phase. This period was characterised by intense external involvement in technical cooperation activity with Arab States, manifested in the development of joint institutions dedicated to cooperation with African countries, and the institutionalization of the Afro-Arab Trade Fair which is held every three years.

Throughout these phases the OAU has been steadily putting in place elements of a network of technical cooperation institutions which together constitute a potentially effective mechanism of the delivery of technical assistance. These include the African Civil Aviation Commission, the African Education Bureau, the African Regional Centre for Technology and the Centre for Engineering Design and Technology, all of which are involved, in varying degrees, in Technical Cooperation. This potential has been enhanced by the signing of the Abuja Treaty. Currently the OAU, which houses the secretariat of the Community, is finalizing the institutional framework for the operationalization of the Treaty. An important dimension of this framework will be the establishment of institutional relations with the African Regional Economic Communities such as the Economic Commission for West Africa and the Sahara (ECOWAS), the Southern Africa Development Conference (SADC) and the Common Market for Eastern and Southern Africa (COMESA), which will be the pillars on which the AEC will be structured. After appropriate mechanisms of collaboration between the OAU, and the Regional Economic Communities have been agreed upon, the new relationship, when fully developed, will further enhance the opportunities for cooperation and, in particular, the promotion of TCDC within, as well as between, these communities. Thereafter, the region must proceed to put in place machinery suited to the particular characteristics of TCDC - capable of serving as a centre for receiving and disseminating information on capacities and needs, and of facilitating consultation and coordination among National Focal Points.

The current phase

There are several aspects of the current fourth phase of the region's effort for the institutionalization of inter-African technical cooperation that encourage optimism this time around. In the first place, that effort is being undertaken in the context of the evolving realities of the present international environment - the trend towards the creation of market economies in the region, with the consequent requirement that economies be structured so as to enable them to respond swiftly to market forces, the diminution of international resources available for cooperation and the increase in the calls for such resources, whose pressures are being exerted with growing and unprecedented force, and which demand deliberate responses. In the second place, that effort is being undertaken in global context where TCDC, as a development ethic, has a higher profile, is more mature, and is more internationally recognized and supported that ever before. The support-system for countries wishing to embrace the TCDC modality is more solid and extensive than it ever was. As use of the modality extends throughout the developing world, and with the spread of information technology, its advantages are becoming increasingly widely known. Third, as regional integration extends and deepens in Africa, new and additional opportunities are presenting themselves for the development and promotion of TCDC. Fourth, this time around, the OAU's efforts have gone one significant practical step further than previous efforts, in that the Organization is looking at the successful experience of other developing regions with TCDC - Latin America and the Caribbean and the Pacific. In concrete terms, it is currently examining the experience of the Latin American Economic System (SELA), which has been functioning as a dynamic and effective Focal Point for TCDC in that region. The OAU is benefitting from the support of a former Deputy Permanent Secretary of (SELA), who has had first-hand experience with the development of what is recognized throughout the developing world as an excellent example of regional cooperation through TCDC.



The reality of TCDC in Africa

According to statistics relating to the UNDP Fifth Programming Cycle, as of June 1996, the Special Unit for TCDC was involved in no fewer than thirty-eight country-specific TCDC activities, covering sectors that range from simply promoting the TCDC idea, through transfers of expertise in trade and technology to exchange of successful experiences in good governance, in addition to a growing number of inter-regional projects. But aside from these, it is common knowledge that the areas adjacent to international borders, particularly in Third World countries, often have a peculiar dynamic. There, driven by socio-economic similarities and in many cases by shared culture, communities work together, pooling energies, sharing experiences and transferring expertise in meeting shared needs, completely unconscious of the existence of political borders. In Africa, contrary to what is frequently peddled by the media, this dynamic is not always negative. Throughout the vastness of the continent, pockets of cooperation activity thrive unseen and unrecorded, without direct benefit of established TCDC facilities or resources. It will certainly be a challenge to the Regional Focal Point to compile a register of these instances of cooperation, not only for purposes of record-keeping, but no less importantly, in order to see how the cooperation being practised could be deepened or extended through the application of TCDC mechanisms and resources, or what lessons these cases may contain for other countries or sub-regions.

The scope for TCDC: the Cairo Agenda for action

Since TCDC essentially involves a sharing of information and expertise between two or more countries, TCDC activity often centres around the needs of a particular country, with which are matched capacities existing in another. However, TCDC is no less appropriate where a number of countries share a common need. The Cairo Agenda, adopted in June 1995, is the loftiest expression of Africa's priorities where the region's economic development thrust is concerned. One of the areas identified by the Heads of Government in this document is that of food security, a critical issue for Africa since most of the countries of the region are net importers of food. The Cairo Agenda considers that an improvement in agricultural performance is essential to raising nutritional standards, and to achieving food self-sufficiency. Under this broad rubric the document details a number of specific areas such as stock-piling of surplus food, livestock and fisheries, management of water resources, reforestation etc., where the experience gathered by individual countries of the various sub-regions could be most helpful to others facing similar problems. What is more the FAO has been working closely with countries in Africa in the framework of TCDC where food security is concerned, providing valuable advice and assistance.

In the related area of health care, which likewise lends itself to cooperative action, the World Health Organization (WHO) is also giving high priority to assisting countries put the TCDC modality into effect. Human resources development, mineral resources and energy, transport and communications, trade, the environment, additional priority areas identified in the Cairo Agenda, all lend themselves well to TCDC.

The challenges ahead

The establishment of functioning and reliable TCDC machinery in any region has never been easy, and Africa will certainly not be the exception; quite the contrary, the particularities of the various subregions will add their own dimensions to the challenges involved. The first challenges to be faced will undoubtedly be those of ensuring that there is widespread understanding of what TCDC is, before its potential can be realized. Thereafter it will be necessary to engage the full support and overt commitment of the Governments, peoples and organizations of the continent. While there may be some hopeful beginnings, more widespread use of TCDC is yet to be realized. National Focal Points throughout the region will need to be further strengthened and trained in the proper discharge of their responsibilities, and internal procedures enhanced for fluid communication between them and their Governments. The all-important question of financing for TCDC activities must also be addressed, and in this regard the experience of other regions, such as Latin America and the Caribbean could be instructive.

In general, it would be appropriate, even at this early stage of the effort to institutionalize TCDC in the OAU secretariat, to begin looking beyond the specific sector needs of one or two countries, on which TCDC usually focuses, in order to apply this mode of cooperation to issues which more generally affect African countries: external financing for development, industrialization, social development, the new rules of international trade to mention but a few. In Latin America and the Caribbean for example, SELA, with the support of the Special Unit for TCDC, has produced a number of interesting studies on issues such as external debt, the challenges of the new international trading arrangements, new issues on the trade agenda, such as the environment and international trade, the relationship between production and labour legislation etc. - issues on which all States are obliged to take positions. There is no need to re-invent the wheel where these and other issues are concerned. A consultation with the secretariat of SELA with a view to an exchange of information and experience and, at a later stage, the conclusion of an agreement of cooperation, seems particularly indicated. To this end, UNDP's Special Unit for TCDC is assisting the OAU in playing a catalytic and leading role in the promotion of TCDC in Africa.

With the current quickening of the OAU's momentum for establishing more effective TCDC machinery, and with collective self-reliance reinvigorated and enthroned, the Organization stands poised to place Africa on a course that could hasten the movement of this region into the mainstream of South-South cooperation, at the same time significantly helping to advance its economic and social development. In that light, the challenges outlined above appear less daunting. This Organization is well-placed to serve the needs of the various States as they seek to strengthen their mutual cooperation and to cooperate as a collectivity with other developing regions for the promotion of their shared interests where TCDC is concerned. Suitably equipped with dedicated personnel resources and a flexible institutional machinery, and with the help of the UNDP's Special Unit for TCDC, it could provide the leadership and direction which Africa requires and is entitled to expect of it at this critical juncture of the region's history. ❖

"Where Will We All Live? How Will We All Live?" The Road To Habitat II, and beyond

BY LANCE PIERCE

The final Preparatory Committee Meeting (PrepCom) for the Second United Nations Conference on Human Settlements (Habitat II) was held at the United Nations, New York on 5-16 February 1996. Local governments are beginning to find a voice in the UN forum as a result of the Habitat II focus on urban and community-based development. Lance Pierce talked with a number of local officials and others at the PrepCom to get a picture of what is happening in their cities, and how this conference—the last major UN conference of the century—is shaping up in the eyes of its participants. Mr. Pierce has been a consultant to NGOs and to the UNDP, and is Deputy Director of the Mega-Cities Project.

History-making moments occur not infrequently at the United Nations. These are events which can affect the lives and livelihoods of thousands, if not millions of people; usually attended by the global press, and heads of state congregating just out of the glare of the lights. Conference room 4 during the third and final PrepCom for the Second United Nations Conference on Human Settlements (Habitat II) was the setting for a much smaller and less dramatic historic moment, although one that portends a no less far reaching impact over time. On February 7th 1996, mayors and local officials for the first time addressed the plenary session of a UN global conference in their capacity as municipal-level public servants. "The next century is one of local governance," proclaimed Nat Nuno-Amarteifio, Mayor of Accra, Ghana. A sweeping statement, but one nonetheless demonstrative of the ascendancy of municipalities and locally-elected officials in development processes around the world. The plenary session in conference room 4 was a small, but definite milestone toward the increasing involvement of municipal governments and officials in international development forums that were previously the bailiwick of national governments. The Mayors' participation at PrepCom 3 set the stage for their even broader participation in the creation of the Habitat II agenda in Istanbul.

Habitat II was the last in a cycle of ten UN conferences that began in 1990, all of which have dealt with global economic, political, environmental, and social issues in the twenty first century. Taking place in Istanbul, Turkey, from 3-14 June 1996, Habitat II was the Second UN Conference on Human Settlements—dubbed the "City Summit" by UN Secretary-General Boutros Boutros-Ghali—focusing on the twin themes of "sustainable human settlements in an urbanizing world," and "adequate shelter for all." It was the second such conference of its kind, Habitat I having been convened in 1976 to focus on the general problems of development in urban and rural settlements. Given the rapid growth of cities during the past 20 years, Habitat II was more explicitly urban. The Third Preparatory Committee (PrepCom) meeting leading up to the conference was held in New York from 5-16 February 1996. A group of mayors and local officials attended the PrepCom at the invitation of UNDP's Special Unit for Technical Cooperation among Developing Countries (SU/TCDC), in collaboration with the Urban Development Unit of the UNDP Bureau for Policy and Programme Support. An inter-regional panel of Mayors meeting, addressed by Dr. Wally N'Dow, Secretary-General of Habitat II, and with the theme of "Sustainable Urban Governance for Poverty Alleviation: Cities Combating Poverty," was held in the Economic and Social Council (ECOSOC) chamber during the PrepCom.

The convening of this panel of Mayors and officials, and of the Inter-Regional Symposium of Mayors, Local Authorities, and Local Partners in Istanbul on June 11, is indicative of coming shifts in the policies of the United Nations Development Programme (UNDP) itself. Traditionally UNDP and other donors focused their efforts on rural development, due largely to the belief that cities already benefited from funding and programmatic initiatives, and that rural areas with their large populations were in greater need of assistance. Given the huge migration globally of rural populations into cities, UNDP is beginning to see urban development initiatives as a means of holistically advancing its evolving mission of sustainable human development. Habitat II was viewed by the agency as an opportunity for all the themes and modalities of development addressed in the previous nine United Nations conferences over the past six years to be brought to bear in practical ways on the future liveability and sustainability of cities.

Although the UN itself is made up of representatives from sovereign States, rather than from lesser polities, the international community as a whole—particularly in the wake of Agenda 21 of the United Nations Conference on Environment and Development (UNCED) held in Rio de Janeiro, Brazil, in 1992—is increasingly recognizing what many have been saying for years, that development programmes and practices must be rooted in local knowledge, and implemented by local actors. Mayors, more so than any other elected official, are the local actors responsible for the adequate housing and living environments of their constituencies. As a result, Mayors attending the PrepCom and the Istanbul conference actively participated in the groups of delegates hammering out the language of the Habitat II working documents.

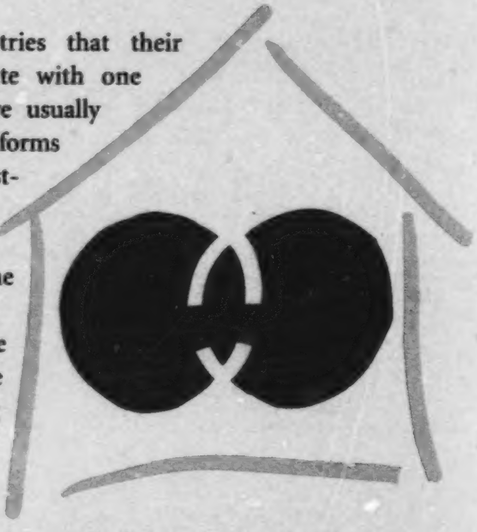
"The next century is one of local governance," proclaimed Nat Nuno Amarteifio Mayor of Accra, Ghana.

Participants at the PrepCom, and at Habitat II—NGOs, delegates, UNDP officials, and the Mayors themselves—were largely in agreement regarding the changes underway in both the global economy and in cities worldwide that will make municipalities increasingly important in development in the next century. A century ago, the largest cities in the world were all on average less than one million people. By 1950, their populations had grown to an average of 2.1 million. Today, the 100 largest cities in the world average over 5 million in population, a figure that is growing at an exponential rate. Southern countries are increasingly experiencing a decline in rural economic prospects as their economies become less tied to local subsistence and more involved in generating income and capital. Urban areas, historically always part of international trade and commerce, are now considered the driving force in the world economy due to developments in telecommunications, global finance, and commercial trading networks over the past few decades. Per capita, cities in nearly every part of the world produce far more wealth in their countries, as measured by gross national product, than their respective share of the national population. Rural populations are migrating in huge numbers into cities worldwide in a response to the perceived greater opportunity for work, if not survival.

Current wisdom locates these events in cities in three fundamental processes at work in the world political economy—globalization, privatization, and decentralization. Mantras of progress to some, banes of community development to others, these processes nonetheless provoke very real shifts in the way in which the work of governance and development will have to proceed in the future. Cities will have to devise strategies to provide services and economic opportunity for their exploding populations in ways that take into account these shifts—problematic at best even for the relatively well-financed cities of the North; potentially devastating for cities in the South.

The process of globalization has been characterised by the decline in the international authority and presence of sovereign and central governments, the rise of multinational corporations as players on the world stage, the advent of deregulated world product and commodities markets, and "placeless" capital (that is, global investment that freely flows into and out of capital markets in countries solely on the basis of their perceived return on investment, but is beholden to no entity within that country). Privatization, on the other hand, is seen in terms of retiring social service functions once deemed the province of government (functions once considered a social mission or responsibility) to the market; this coming in the wake of the declining influence globally of the welfare state model of governance and income redistribution. Decentralization, following the decline in central governments, is the devolution of legislative power and decision-making authority to the level of states, provinces, and municipalities, largely due to a scaling back of national taxation and income redistribution schemes—this undertaken in an effort to make countries more attractive to global capital investment by multinationals and others.

Dr. Larry Gell, Director-General of the International Agency for Economic Development, an NGO, in addressing the panel of Mayors meeting at PrepCom 3, cited recent scholarship in locating these three trends in the post cold war milieu since 1989. Gell pointed out that the world prior to 1989 was characterized by a "geopolitical" model, wherein the large States vied for sovereignty and enforced the status quo through military power. Nations of the South were courted by the capitalist "First World" and the communist "Second World" with generous subsidies and development funding as part of the larger countries' foreign policy missions. Since the end of the cold war, a "geoeconomic" world is rapidly taking shape, according to Dr. Gell. Larger States no longer have a self-interest in devoting such high percentages of their budgets to development of the South. Multinational corporations interested in global investments are now searching for profitable niches in the space left by declining aid funding in the world economy. "Declining national sovereignty means that when you are dealing with investment in your country by other nations, you are dealing with multinationals," points out Accra's Nuno-Amarteifio. "They can move money around very easily. Look at Mexico—the first hint of instability and bang, they pulled out of the country," he pointed out, referring to the recent post North American Free Trade Agreement (NAFTA) crisis, wherein multinational investors in Mexican capital markets moved billions of dollars virtually overnight in response to a potential collapse of the peso. "Private investors don't have the same kind of political relationships with countries that their governments create with one another, which are usually much more stable forms of aid and investment despite whatever is happening in the national economy".



This then is the pull side of the equation regarding the plight of Southern cities in development. The push side is what is actually happening in the cities themselves. All the Mayors invited to the PrepCom, and to Istanbul by UNDP are dealing with the same set of local problems, exacerbated by one in particular: the breakdown in governance and services as a result of the explosion in urban populations in recent years. Many of these cities in the South report situations similar to Accra, which provides services to over 3 million people (with a daily floating population of between 300-400,000) via infrastructure and public sector mechanisms designed to address the needs of less than half that number. Referred to variously as "megacities" or "world metropolises," these urban areas are increasingly viewed as the focal point of globalization; complex holistic systems whose needs in the current economic milieu are often not adequately served by externally directed, sectoral approaches to development.

Needless to say, Mayors and city officials attending both PrepCom 3 and Habitat II were open to the potential of new models and modes of development. Not surprisingly, South-South cooperation was frequently cited as a fruitful avenue of inquiry. "How will people live in a Mexico City of 25 million inhabitants?" asks Jan Birket-Smith, Director of the NGO Forum secretariat for Habitat II. "Why not bring people who have housing problems in Istanbul together with people having the same problems in Mexico City and let them learn from each other what actually effected a change in their environments?"

Housing is an excellent case-in-point of an issue that cities must address. As one might imagine at a conference which has as one of its aims "adequate shelter for all", there was a lot of discussion regarding housing at all of the Habitat II PrepComs. Some have characterized housing as a human right, while others say it is merely a public sector responsibility; still others prefer a purely market-based approach to housing supply. The debate around the issue provides an illuminating glimpse into what happens when ideals (whether human rights on the one hand, or market purism on the other) run headlong into the practicalities of implementation. Mayors and officials at PrepCom 3 all agreed that people must be housed affordably, with equitable access. They however, are the ones who must come up with the resources to actually perform the task. The gap between proposal and implementation has left some of the Mayors—new to the UN conference process—somewhat cynical. "They all talk of empowering people, empowering youth, empowering women. They're wonderful orthodoxies; wonderful, pious 'God-Save-the-Queen' kind of statements. But the reality is, how are we going to do it given the incomplete autonomy of local governmental structures, the lack of funding, the lack of capacity, and the lack of personnel that most of our city governments are faced with?" asks Accra's Nuno-Amarteifio.

Housing is an area where new South-South solutions are being forged. Urban managers in the Arab region are currently creating new relationships to address this and related issues. Sometimes the template for programmes is originally borrowed from Northern economies and adapted to Southern contexts. "We are actively involving the private sector in creating housing supply in my country," says Yousef Hiasat, Director-General of the Housing and Urban Development Corporation of Amman, Jordan, and a panellist at the PrepCom 3 mayors meeting. During the Gulf War, Jordanian expatriates left Kuwait in droves to return to their country. Approximately 300,000 expatriates (or 10% of the country's total population) returned to Jordan in a one month period, most of whom settled in Amman. Most of these were high-income people, so the housing market eventually accommodated their needs. Lower income people however, were unable to find housing in an already strained market. The Housing and Urban Development Corporation advocated a market-based approach to solving the problem, choosing to provide incentives that would motivate developers and builders to increase available supplies of housing stock. "My agency can get special zoning and infrastructure concessions that the private sector cannot," says Hiasat. "We are trying to give incentives to the private sector in such a way that they can increase the supply of affordable low-income housing and still make money on their investment." Hiasat's agency hopes to make it possible for citizens to purchase housing by creating a secondary mortgage market, something that has never existed before in Jordan. Housing loans are currently hard to get because the only bank funds available for lending are tied up in short-term deposits. It is illegal for institutions to lend so much they jeopardize their liquidity, so bank loans as a result (drawing from the finite pool of short-term deposits), are expensive. Hiasat and his colleagues plan to free up long-term deposits—pension funds, and the like—for broadly accessible mortgage lending at affordable rates to lower income citizens. It is an idea they hope to share with their colleagues in other Arab cities struggling with the same problems.

This kind of public sector-private sector partnership increasingly characterises the kinds of solutions Southern cities are generating in response to their problems. In the case of Amman, this partnership involved the public sector creating incentives for the private sector to invest for the benefit of a particular income group, while also creating new regulations that make capital lending more affordable to that income group. Where such collaborations are successful, central governments have also cooperated in the regulatory and policy spheres to enable urban governments a certain degree of autonomy in decision-making—this often a radical departure from the structures of authority laid down by post-colonial and cold war era regimes.

International donors and agencies are also beginning to adopt redefined, more partnership-like roles in the assistance they provide. The colonial Spanish district in Quito, Ecuador was designated a United Nations Educational, Scientific and Cultural Organization (UNESCO) World Heritage Site. It was an area that was in great disrepair. City government sought to reinvest in the community, to preserve its cultural heritage and to further support the local housing and commercial real estate markets. Quito successfully created a "Salvation Fund" to restore the area, seeded initially with local money. As a result of the local commitment, a number of international donors signed on to support the restorations. "The key was that we raised the money domestically," points out Ramiro Viteri, City Manager of Quito, and also a panellist at the PrepCom 3 mayors meeting. "It was a political decision to do so, otherwise donors would never have contributed to the project."

Creating infrastructure such as housing, or roads and utilities, is a kind of development that is certainly necessary in the growing cities of the South. But it is a kind of development that has often been criticised by NGOs and others in the international development community as a "band-aid" solution. Frequently, infrastructure is put into place through a combination of international aid and investment without regard to the communities or people who are ostensibly supposed to make use of it. Without roots in local aspirations it is a kind of development that exemplifies the worst stereotypical Northern biases about property and wealth equalling social and human potential.

> ***The key was that we raised the money domestically. It was a political decision to do so, otherwise donors would never have contributed to the project.***

As urban governments in the South become increasingly accountable for serving populations that represent the often huge ethnic and cultural diversity of their respective countries, newer, more inclusive forms of governance are being tried in some cities as a way of integrating local residents as stakeholders in the process of development. Sometimes these new approaches and services are undertaken in the guise of fairly standard economic development methodologies, for example, creating collaborative relationships with trade associations.

"Market women are now very influential in shaping the course and growth of Accra," points out Mayor Nat Nuno-Amarteifio. "Because of our growth, we are embarking on an effort to include as many people in governance as possible. There has always been an association of market women in the city, but up to now they had never been part of government, which means that decisions were made, and the women were consulted after the fact. Now, for the sake of survival, we have to consult them as to what they think is best when we make policies and regulations that affect the markets."

Accra is a city making strides in tilting its regulatory environment on a more friendly slant toward the huge numbers of people who make their income on the streets. Until recently, the literally thousands of street hawkers were not recognized either as legitimate businesses, or even as existing, in the city by-laws. Hawking is often the only means of making a living that is available to rural newcomers in the cities. Their unregulated presence however, creates huge sanitation problems generated by the waste and wrappings tossed into gutters from the sale of their products. Rather than control them with the police, an only marginally successful effort at best, Accra chose to recognize in law an emerging association among the hawkers, and to negotiate with them. "If you take away their only opportunity to make an honest living, what is their alternative? Most of them are young, and at an age where armed robbery is an easy option. So why not talk to they them, empower them in the ways they are looking for, and help them to help us in controlling the sanitation problems created by their trade, which we did," says Nuno-Amarteifio.

Many of the solutions that cities are generating to problems are inexpensive ones, relying more on resources already existing in the political and social milieu rather than money from outside sources. Still, with allocations to cities drying up at the national level, many Mayors and officials like Nuno-Amarteifio are looking for ways to characterize their municipalities as profitable investments to bankers around the world. Socialized public finance is diminishing while need for public investment is exploding. Conversations overheard at the PrepCom and at Habitat II commonly included avid talk on ways of improving cities' creditworthiness, thus increasing their likelihood of obtaining project and development financing from major investment houses. Some took interest in Accra's recently successful bid to obtain a loan from the World Bank, an institution that typically deals only with national governments. By persuading the Government of Ghana to act as a guarantor for the loan, Accra was able to access a pool of financing that had previously been available only to sovereign states. As a result of the process, the city also developed its capacity to ensure repayment of the loan, thus enhancing its rating in the eyes of global investment banks.

Amidst all the talk of paying down public sector debt and developing creditworthiness, the term "sustainability" was frequently invoked. It was a central theme of Habitat II. But there is a kind of schizophrenia in the way the term has been bandied about during the whole Habitat II proceedings. "Sustainable," in the current discourse, is a word that has its origins in the environmental movement. Among NGOs and other more politically or ideologically oriented development advocates, the term is used in its original sense; that is, that the natural environment surrounding human settlements is not unduly disrupted or destroyed—but indeed regenerated—by economic activity (processes which themselves are usually oriented toward extraction and consumption of non-renewable resources, and producing various forms of pollution as a by-product). Mayors, again the officials most accountable for the pragmatic and often unpopular work of implementing projects and paying bills, nearly all used the term in a balance of payments sense, that is, sustainability as defined by whether or not you can meet and complete your loan payment obligations, and generate future loan financing. This is, of course, not to say that Mayors are oblivious to their environmental problems. All of them have stories about increasing air, water, and solid waste pollution in their cities. Concretely addressing this gap in defining the term "sustainable," will hopefully emerge as a crucial avenue of inquiry in the aftermath of Habitat II. People in cities need public investment (repaid in a timely fashion) that supports commerce and livelihoods, but if the commercial institutions that provide those livelihoods pollute so much that the environments around cities are poisoned, and citizens are dying of cancer at alarming rates, development serves no one.

We live in an era in which matters formerly relegated to the biological sphere, such as reproduction and sex, or the cultural sphere, such as gender roles and stereotypes, are increasingly being politicized. That women would show up today as an important and unique vector in development and policy circles would have been a surprise to all but a few some thirty years ago. Along with the politicization of areas formerly considered in naturalistic terms—and therefore seen as fixed and immutable givens—parallel shifts in governance have taken place. If matters such as gender are increasingly politicised, governance is increasingly becoming economized. Talk among various groups of attendees gave evidence of this all around the Habitat proceedings. Working documents prepared at all stages of the Habitat II process are laced with references to private investment, and the language of markets, and supply and demand, in addition to their usual discussion of rights, regulations, policies, and civic responsibilities. The trend toward economizing governance is part of an expanding process of modernity, and is seemingly inevitable, given the current state of the globe. It is a process which at its worst will break down into fruitless debates and destructive power struggles between proponents of freer markets and "opportunity societies" on the one hand, and advocates of constitutionally guaranteed and "natural" human rights to accessing resources on the other. Mayors and local officials are situated to be a potential nexus of these debates in the coming century. Their participation will be crucial to yoking these impulses toward a common good, the intended end result being sustainable (in all senses of the word) human settlements in an urbanizing world, and adequate shelter for all.

While all of the Mayors and local officials invited to PrepCom 3 and to Habitat II by UNDP are (and rightfully so) concerned about such prosaic matters as credit and debt scheduling, one of them in particular spoke to some of the issues in the foregoing discussion, explicitly considering the implications of the term "sustainable" in the environmental sphere. In addition, he pointed up a third way of considering the term, one heard more often at other UN conferences than perhaps will be discussed at a conference on cities—that of cultural integrity.

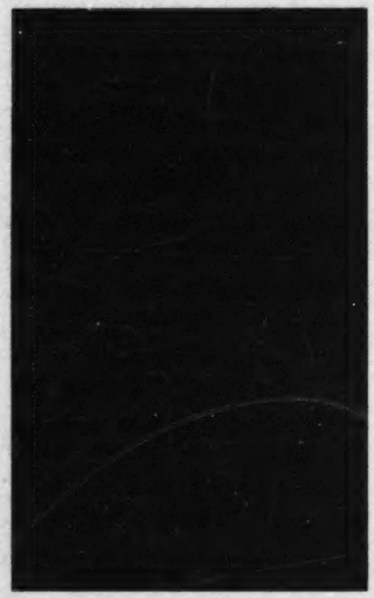
"I worship three-isms," says the jocular Mayor of Kathmandu, Nepal, Mr. P.L. Singh, "tourism, Buddhism, and Hinduism." Singh, himself a Hindu, living in the country that is the birthplace of Buddha, recognizes the importance of both environmental sustainability and preserving cultural integrity in his city. "The world believes in tourism. They come to see our unique culture, and the natural beauty of Nepal. If we destroy these things in developing our country, why will they come?" Rapid modernization in Nepal and the huge influx of tourists in recent years have contributed to the severe environmental problems currently faced by the country.

Singh rightly points out that culture is not merely religious ceremony, it is a much more basic process of daily life and understanding; how people eat, how they work, where they sleep. Development has all too often been pursued from a Northern model of producing workers and consumers. For a culture like the one in Nepal, such an approach runs the risk of turning people into a tourist spectacle—a kind of Disneyland, or like the seventeenth century American historical theme park, Colonial Williamsburg, where people perform a way of life as a kind of show in order to earn a living, going home at night to their satellite dishes and suburban homes. "In my country, people used to take their spare money and build temples. Now they must invest their money in banks," says Singh.

This is a regretfully underexamined area for South-South generated responses, perhaps because "cultural integrity" does not lend itself easily to quantification or accounting schemes. Of all the Mayors attending the meetings at PrepCom 3, Singh spoke most forcefully in favour of learning what had been tried in other Southern cities, and of locally generated solutions to these problems in Kathmandu. He spoke of the need for strong working partnerships with all actors on the development stage—NGOs, donors, and UN agencies. "I want to have a metropolis with our own lifestyle, not like New York. New York is great, for what it is, but it is not Kathmandu. I want Kathmandu to be its own city."

Singh, like the other officials at the PrepCom mayors meeting, is also a pragmatist. Recognizing the importance of foreign investment, he is quick to point out that a direct air route, recently inaugurated between Kathmandu and Osaka, will further bolster the city's strategic location at the heart of Asia, and provide easier access to the country for Japanese private capital. He is equally quick to note the challenges his city will face in the coming years. "We had decades to develop a preference for houses with attached toilets, which we finally had to adopt for environmental reasons. Now the world expects us overnight to have the Internet. Our challenge is to adapt and keep up with the pace of world growth."

If culture can be said to be how people live and understand one another, then the society can be said to be how that culture is organized. Modernity is rapidly reorganizing the assumptions, institutions, and social contracts of the communities in which people live. People in the cities of the developing South are moving rapidly into a world where instead of expecting that your family will take care of you in old age, you are expected to have generated sufficient income surplus for an individual retirement account (IRA) and an adequate investment portfolio instead. More deeply, it is a world which will indirectly hold you to account (through denial of housing, health care, food, etc.) for not having taken the necessary actions over the course of a lifetime to achieve these ends. Development, urban or otherwise, will not produce sustainable human settlements unless the institutional actors involved—governments, lenders, donors, NGOs—realize that it is just these kinds of individual expectations and interpersonal relationships that are being transformed by the top-down social changes sweeping the world today, whether the individuals affected are fully cognizant of the nature of such changes or not. The social and cultural bonds that characterize peoples of the South are made of different stuff than balance sheets. A community ritual of a young person attaining manhood or womanhood, or the complex rites associated with food production and wealth distribution, moved the world forward in these societies before colonialism as surely as a presidential election moves it forward in our own. South-South cooperation holds promise in all the expected and necessary institutional ways—capacity building, new and emerging technologies, expanded trade opportunities, and new solutions to service delivery problems. But it also holds the seeds of a kind of development that, if it succeeds, will yoke both world markets and local mores into new relationships that support the active reproduction of people's cultures in our present era, rather than turning Kathmandu into Disneyland.



It is perhaps for this reason that Habitat II, the least well-supported, the least well funded and the last of all the United Nations conferences held this century had so much promise attached to it from so many quarters. It was the first of these conferences to deal not exclusively with broad sectors (education, population), not exclusively with abstract categories of people (women, children), or depersonalised issues (human rights, social development, the environment), but with people living and working in specific towns, cities, and neighbourhoods—a holistic and geographic setting for all of the above concerns in all their sprawling social, cultural, political, and economic actuality. Yet, despite its acknowledged importance by all in the development field, Habitat II is widely believed to have received less attention and far fewer resources than it deserved. Part of this is of course, due to timing. "What we see here is a kind of conference fatigue," indicates Jan Birket-Smith, Director of the NGO Forum for Habitat II. "Donors did not come up with the resources for NGO participation because they have been exhausted by other UN conferences during the past few years. Moreover, the conference was not well known to the general public because it was not well announced. No one outside the international community knew why it was being held or what it addresses." Local NGOs, and their Northern analogue, CBOs, or community-based organizations were, according to Birket-Smith, lacking a real platform for concrete action at the conference.

Despite these perceived drawbacks, some genuinely new ideas were floated at this conference. Perhaps foremost among them was the creation of a database of "best practices," available via computer modem, and on CD-ROM. Jointly produced by the New York-based Together Foundation, and the United Nations Centre for Human Settlements, this database features hundreds of urban development practices from around the world, North and South, which have been successes in their local milieus. A catalogue of the 100 best practices was distributed during the conference in Istanbul and five special recommendations were made among them. Video presentations of certain practices were also showcased. "We haven't seen how the whole concept of best practices will ultimately work," says Birket-Smith, "but it could be a very practical illustration of cities' problems in concrete terms. It takes the working group discussions at the PrepComs and at Habitat II and makes them very real." This best practices database makes available not only programme approaches, but the concepts and structures behind them that make them sustainable as well. How and why a project is deemed sustainable, is frequently missing from the often stratospheric discussions regarding new models and approaches to development.

South-South cooperation spinning out from the umbrella of the Habitat II proceedings may take a number of forms, and operate at a number of levels, from that of larger civic institutions and research on the one hand, to community participation and activism on the other. What is recognized almost universally is that major metropolises around the world, despite differences in unique local cultures, are home to nearly identical social problems. If a forced and burgeoning urbanism because of migratory and population pressures is in some sense, "the problem," then the vibrant cultural diversity and existing management capacity of that same urban milieu is a concrete place from which to work for solutions. More inclusive, decentralized (not necessarily privatized) forms of governance and public service mean that people in communities are more likely to participate in development projects, and own them as an integral part of their own future vision of their city.

Mayors invited to PrepCom 3 and Habitat II by UNDP, despite their cynicism, all expressed similar sentiments regarding their hopes for the outcomes of Istanbul. All hoped for the creation of an organization or mechanism out of the Istanbul proceedings to ensure the implementation of Habitat II recommendations at the national and international levels; a kind of counterweight to the frequent resistance to genuine local autonomy and initiatives on the part of central governments and international donors and actors. And again, despite nagging feelings that the only thing being accomplished at these events is talk, all reaffirmed their faith in the net positive impact of the kinds of relationships that the environment of UN conferences—unlike any other venue in their scope—tend to foster. It brings motivated parties together such that they can create their own networks and agitate for or solicit their own resources for particular projects and kinds of social change, which in a world where centralized approaches are in decline (either for better or worse), will increasingly characterize the terms upon which development will proceed in the twenty-first century.

"Where will we all live?" and "How will we all live?" are questions put forth by Dr. Wally N'Dow, in his address to the Panel of Mayors invited to PrepCom 3 by UNDP. I put these questions regarding the shape of urban life in the next century to Jan Birket-Smith, himself an urban planner by profession, and a participant in development and UN conferences from the NGO angle for many years. "Well there could be one way we all live, if you look at the statistics. Istanbul has jumped from a few million to around 15 million in population since the 1960s, with an accompanying explosion in all problems typically associated with cities. How we live in the future is not a question of goodwill, it is a question of fundamental social change, political will, new institutional and cultural linkages, new economic approaches. What I would like to see happen after Istanbul is not only a recognition of the deterioration of the habitat of cities, but an acknowledgement of the vast potential present in local communities, and the ways in which government and existing structures can enable this."

Enabling local people to master their own circumstances, out of their own vision, on their own terms is not merely a desirable outcome, but perhaps the very definition of a sustainable future.

While large cities have similar problems the world over, these issues do not lend themselves to "one-size-fits-all" solutions easily captured under a slogan or rhetorical flourish. In light of this fragmented whole, the aftermath of Habitat II seems to be shaping up into a movement of movements, with groups and networks collaborating on pieces of the larger picture, and competing for diminishing funding to move each individual "global agenda" forward. The quality and nature of this inter-, and intra-regional collaboration is surely the thing to watch for those seeking to understand the construction of the issues, the definition of effective solutions, and the distribution of fiscal resources and talent serving the concerns of cities in the coming century. ◆

Interview with Florence Dillsworth, Chairman, Committee of Management, City Council of Freetown, Sierra Leone

Sierra Leone is at present in a state of civil war. Cooperation South spoke with Ms. Dillsworth during her visit to the final Habitat II PrepCom regarding the issues she and her city faces in pursuing urban development, and in providing basic services during a time of conflict.

CS: What is life like in Freetown during the civil war?

Ms. Dillsworth: It is very difficult, because the rebel war is at present still going on. Plans are afoot to hold conferences that we hope will ultimately lead to peace, but we do not know when or if this will happen. Four years ago, before the war, we were a city of 110,000. As a result of the war, our population has grown to somewhere between 1.5 and 2 million. All our facilities are overstretched. These people are displaced persons from the war affected areas, and they are streaming into the city daily. Housing is a serious problem, as is water, sanitation, education, and adequate medical facilities. Providing services is an uphill task. However, we have in Freetown a number of programmes supported by the UN system, NGOs, and missionary groups. In spite of the war, a lot of activities are taking place. Through these programmes we are taking steps to prepare for the rehabilitation of the city.

CS: How large is the role and presence of donors and international agencies in Freetown currently?

Ms. Dillsworth: Many of the large relief and development agencies are present here, because of the war. They are mostly working with the central government, but we in the municipal government are working more closely with these organizations than before so that we have a say in their activities. We are trying to organize their activities so that there is no duplication in what other organizations have done in the past. So many of these agencies come into a situation and have no knowledge of what has been done before, and quite often when programmes are duplicated they pit the energies of local people against one another. We are trying to organize things so that their efforts are more meaningful, disciplined, and productive.

CS: What is the relationship of national government to city government under the present circumstances?

Ms. Dillsworth: The local government in our country is an arm of the central government. We depend on them to a large extent for funding. As you can imagine, because of the war we are not getting the necessary funding, and that situation is affecting all our programmes and services. Hopefully when the war is over things will return to normal, but even then, the city has grown so much that the central government will have to rethink the size of our budgetary allocation. All cities in the country have grown because of the displacement of people from the rural areas where the conflict is taking place, so all municipal budgets will have to grow as a result. We are trying to resuscitate a federation of local councils so that cities and towns will speak with one voice. We hope to get the central government to provide more support—in fact get them to decentralize considerably, and to empower us in the delivery of the services the people expect and which traditionally are the responsibility of local councils.

CS: What is an example of the problems you are having in providing services?

Ms. Dillsworth: I can think readily of fire prevention services. We are not able to do this consistently because of a lack of funds, and when we do get funds, they are woefully inadequate. I can think of many instances where fires started and we were unable to put them out in time, resulting in extensive losses of life and property totalling in the millions. We are now trying to convince the government that they must take this problem seriously. We are also trying to raise funds from the World Bank to rehabilitate the fire brigade and extend its services—we only have one office of operations for a city our size! If there is a fire in the west or east ends of the city, we have trouble getting to the location to put out the fire, and many times it is too late. We hope to involve the private sector in this effort, especially the insurance companies, the oil companies, and the banks. We hope to convince them of the need for a good fire service, which would be in their best interest as well.

CS: Is there a role for South-South cooperation in your current development efforts?

Ms. Dillsworth: We are hoping to do more of this. We have attended a series of meetings, one of which took place in Harare, and another more recently in Accra. We are looking for ways to work together. We are also twinning with other cities. In all regions of Africa the problems are similar, so we are looking for ways we can share. There are also cities in Liberia and Somalia which have faced similar situations in providing services and development during civil strife. As of yet we have not established relationships with them, but we share a lot in common with these cities. I think our best bet is to work on a regional basis—we are forging links with cities in Gambia, Ghana, and Lagos and other Nigerian cities. We in West Africa have a lot more in common with each other than we do with East African countries, so our region seems to be the best place to begin.

CS: "Sustainability" and "enablement" are two terms that have been used frequently in the cycle of PrepComs leading up to Habitat II. What do these terms mean in the context of your city?

Ms. Dillsworth: Enablement means having the kind of environment created in which we can perform our responsibilities effectively. And for that performance to be meaningful, it must be sustained over time. Unless we have peace in our cities we will not be able to create enabling circumstances. Through the help of international agencies, and our twinning with both the cities of Hull, in the United Kingdom, and Hebei, in China, we have gotten a lot of technical and capacity-building assistance in spite of the war. With this we can better sustain our development efforts from the administrative end.

CS: Can you discuss your current and planned portfolio of projects?

Ms. Dillsworth: We have a number of planned projects in health, sanitation, income generation, meeting the needs of battered women and education. We are going out in a big way to create income generating activities because we realize that this is the way people can pay for city services. We want to set up a women's bank, modelled after the Grameen Bank, that will make small loans initially, and eventually making bigger loans when women begin running bigger businesses. We have applied to the United Nations Educational, Scientific and Cultural Organization (UNESCO) for assistance with this.

Two other projects are in their infancy. One is for abandoned children who live on the streets. We have set up a centre to help them, with the hope of expanding the number of centres in the programme in time. Currently it mostly attracts boys. They seem to be more trusting than the girls because there are fewer street girls in the centres. We try to create a safe haven for the children that includes medical care, counselling, and perhaps most importantly, a meal, so that they can count on having at least one meal per day. This has going on since June 1995. We know we have made an impact on their lives, but unfortunately we are not yet equipped to provide them with accommodations. This situation tends to undermine the positive work we can do with these children, because at the end of the day we must turn them back into the streets. Ideally we plan to expand the centre, enabling us to socialize the children and make them attractive to foster families, but we do not have the resources to expand the project that far just yet.

In another area we are working with grassroots women through the Freetown Chapter for Women. This programme is a group designed for women and children in difficult circumstances, but we encourage all women in the city to participate. We believe that the women who have done reasonably well have a duty to lend a helping hand to the women who have not. We try to provide education for the women—most of them adults who are past the school age—and we are also charging all of them with registering every girl child above six years of age in a school. We have committed ourselves that if you have registered your child in a school, and come September she is unable to find a spot in a classroom due to overcrowding or other reasons, bring her back to us and it will be our responsibility to see to it that she finds a place in a school. If we find that there are no places anywhere in any school, then we take steps to create a school for these girls, using whatever facilities and resources we can find.

Finally, there is a World Bank project in the city—the Freetown Infrastructural Rehabilitation Project—with several components. One component is the development of six depressed areas around the city, providing them with roads, water, utilities and the like. In 1997 this infrastructure will be handed over to the city and we will have to come up with the resources to maintain it.

CS: This is an ambitious schedule of projects, particularly under your present circumstances. Where do you plan to come up with the financing for these activities?

Ms. Dillsworth: Our main sources of revenue are currently from the central government, fees for market use, and property taxes. That is where we plan to get most of our money for the future. For the past 2 years we have put together ambitious budgets, but the people in the city are just not paying taxes. Some of them can afford to pay and aren't, while some of them can't afford to pay because their businesses have been so adversely affected by the war, or because they are now unemployed. The Government has set up a funding agency to help public institutions generate income for rehabilitation. Plan International, an NGO, is also giving us some assistance.

Recently we had six of our markets rehabilitated, adding running water, toilets, stalls and day care centres. One would have thought these improvements would bring in more revenue for the city, but that has not been the case. The overall economic situation is such that people cannot afford rents for the use of market stalls.

Wherever we turn we are hampered. We are hoping that when the war is over, the Government will support local governments so that we can deliver our services. We are making a proposal that a certain percentage of the national budget be put aside for local projects all over the country. We also have a plan for public investment as well. Most of our current budget comes from the central Government. However under the present circumstances, with the central Government fighting a war, the city is not solvent, and there is not much we can do in expanding our share of national funding.

CS: What is the relationship of public finance to local culture?

Ms. Dillsworth: Not very healthy! I think that local or traditional culture is not patterned after the Western idea of finance and investment. A lot of education is necessary to make people realize that if they want services from the municipalities they will have to pay for them. People want services, particularly those fortunate enough to have seen what is available in the more industrialized countries. But people fail to realize that you do not get these things for free. You must pay for these services, and not only that, you must pay to maintain them, otherwise they will deteriorate. A lot of education is necessary for us to change our culture to understand the mechanics of public finance.

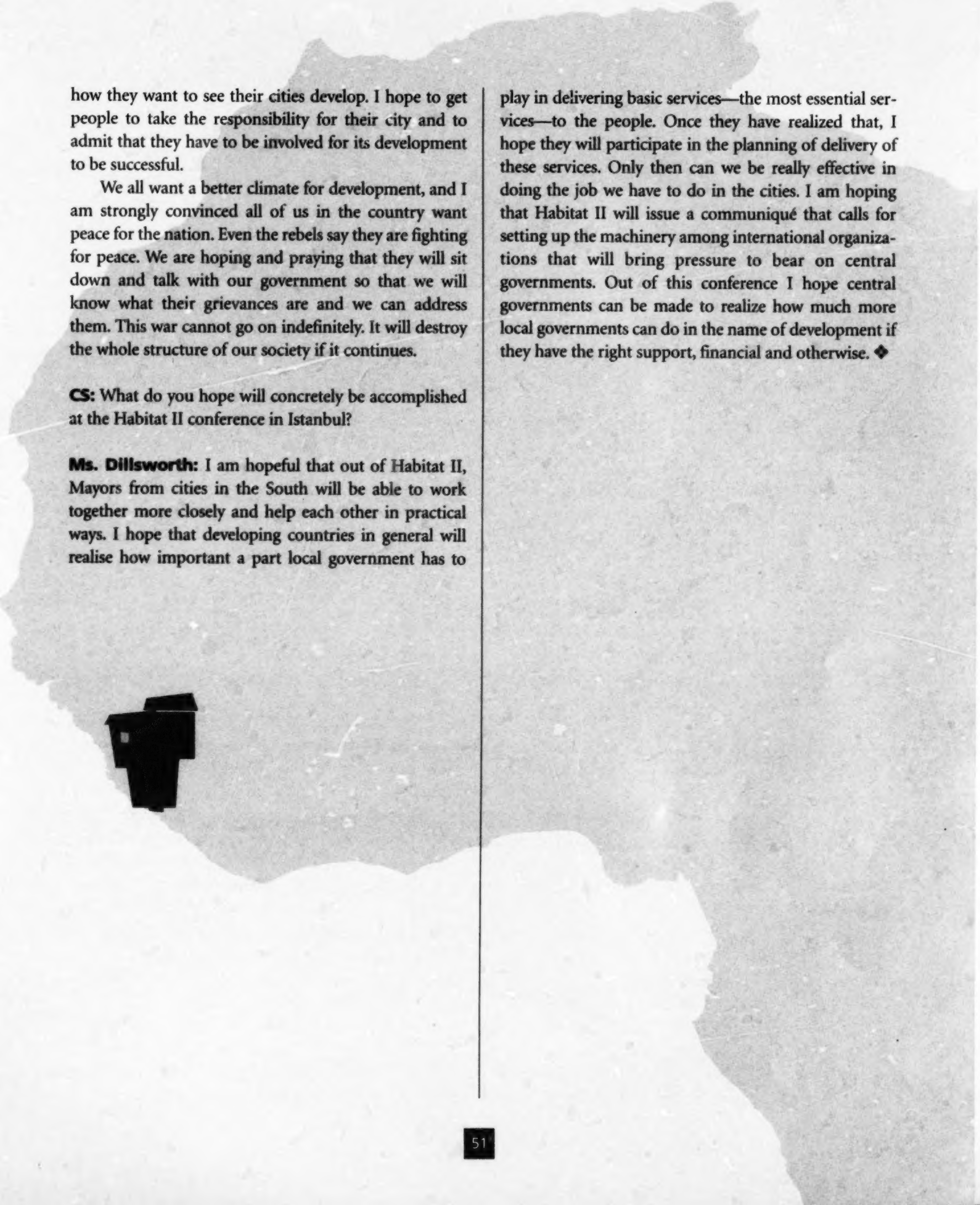
CS: Do you and your colleagues have a vision for a sustainable Freetown in the future?

Ms. Dillsworth: We want a Freetown that is peaceful, clean, and with housing for all. We want to have well-lit streets, busy markets, enough hospitals and schools, and also to have the people participating in the development of the city. This is their city, and I don't think anybody can develop it for them. I look forward to the time when citizens get the message, and become involved at the planning level so that they can say how they would like to see Freetown develop, and understand what roles they are to play in that development. I think cities must at some point—especially where there is a need for rehabilitation—call civic conferences and get people to say how they want to see their cities develop. I hope to get people to take the responsibility for their city and to admit that they have to be involved for its development to be successful.

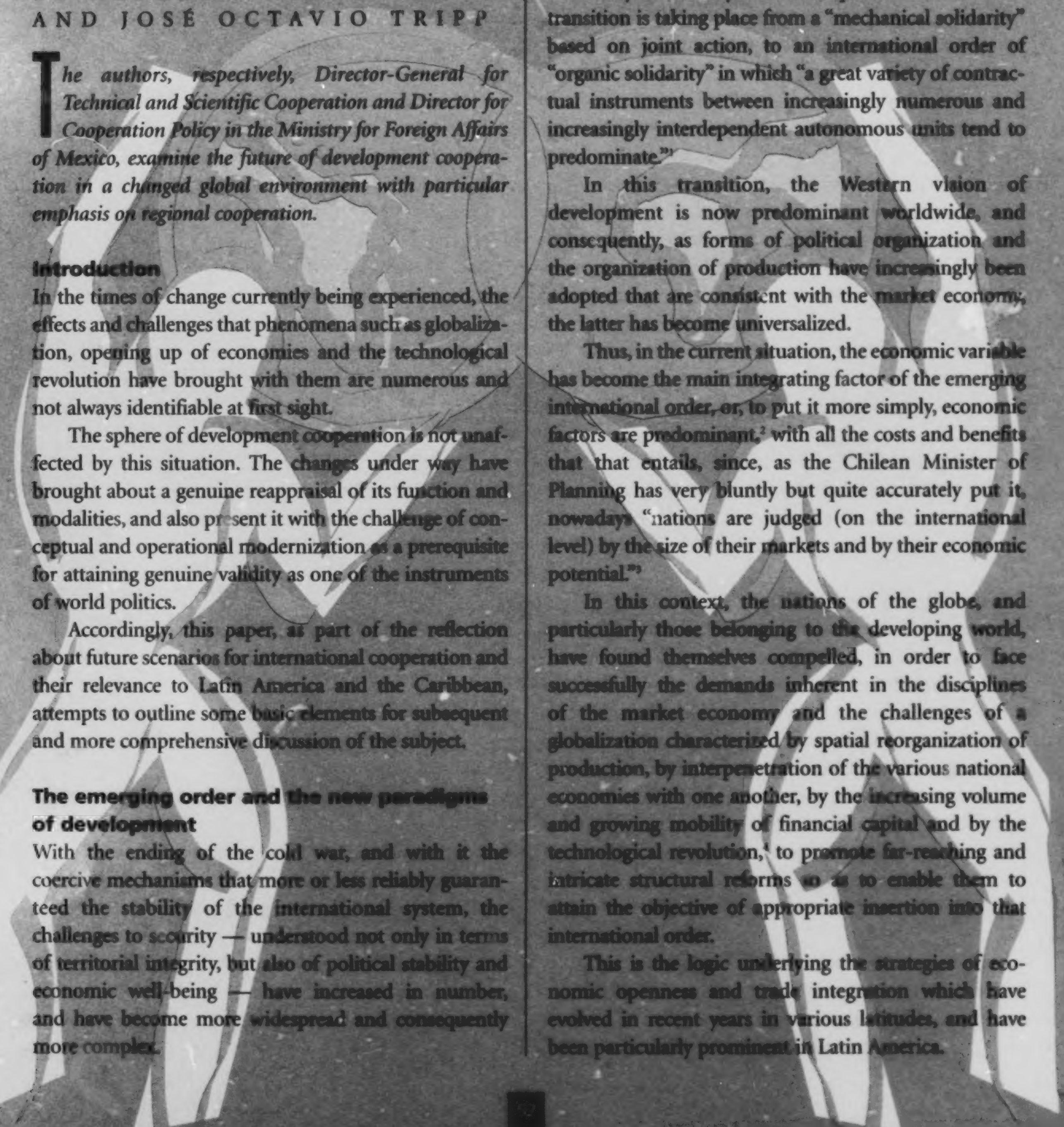
We all want a better climate for development, and I am strongly convinced all of us in the country want peace for the nation. Even the rebels say they are fighting for peace. We are hoping and praying that they will sit down and talk with our government so that we will know what their grievances are and we can address them. This war cannot go on indefinitely. It will destroy the whole structure of our society if it continues.

CS: What do you hope will concretely be accomplished at the Habitat II conference in Istanbul?

Ms. Dillsworth: I am hopeful that out of Habitat II, Mayors from cities in the South will be able to work together more closely and help each other in practical ways. I hope that developing countries in general will realise how important a part local government has to play in delivering basic services—the most essential services—to the people. Once they have realized that, I hope they will participate in the planning of delivery of these services. Only then can we be really effective in doing the job we have to do in the cities. I am hoping that Habitat II will issue a communiqué that calls for setting up the machinery among international organizations that will bring pressure to bear on central governments. Out of this conference I hope central governments can be made to realize how much more local governments can do in the name of development if they have the right support, financial and otherwise. ◆



Towards a Strategic Approach to Regional Cooperation



BY ALFREDO PÉREZ BRAVO AND JOSÉ OCTAVIO TRIPP

The authors, respectively, Director-General for Technical and Scientific Cooperation and Director for Cooperation Policy in the Ministry for Foreign Affairs of Mexico, examine the future of development cooperation in a changed global environment with particular emphasis on regional cooperation.

Introduction

In the times of change currently being experienced, the effects and challenges that phenomena such as globalization, opening up of economies and the technological revolution have brought with them are numerous and not always identifiable at first sight.

The sphere of development cooperation is not unaffected by this situation. The changes under way have brought about a genuine reappraisal of its function and modalities, and also present it with the challenge of conceptual and operational modernization as a prerequisite for attaining genuine validity as one of the instruments of world politics.

Accordingly, this paper, as part of the reflection about future scenarios for international cooperation and their relevance to Latin America and the Caribbean, attempts to outline some basic elements for subsequent and more comprehensive discussion of the subject.

The emerging order and the new paradigms of development

With the ending of the cold war, and with it the coercive mechanisms that more or less reliably guaranteed the stability of the international system, the challenges to security — understood not only in terms of territorial integrity, but also of political stability and economic well-being — have increased in number, and have become more widespread and consequently more complex.

Today — so analysts of world politics maintain — a transition is taking place from a "mechanical solidarity" based on joint action, to an international order of "organic solidarity" in which "a great variety of contractual instruments between increasingly numerous and increasingly interdependent autonomous units tend to predominate."[1]

In this transition, the Western vision of development is now predominant worldwide, and consequently, as forms of political organization and the organization of production have increasingly been adopted that are consistent with the market economy, the latter has become universalized.

Thus, in the current situation, the economic variable has become the main integrating factor of the emerging international order, or, to put it more simply, economic factors are predominant,[2] with all the costs and benefits that that entails, since, as the Chilean Minister of Planning has very bluntly but quite accurately put it, nowadays "nations are judged (on the international level) by the size of their markets and by their economic potential."[3]

In this context, the nations of the globe, and particularly those belonging to the developing world, have found themselves compelled, in order to face successfully the demands inherent in the disciplines of the market economy and the challenges of a globalization characterized by spatial reorganization of production, by interpenetration of the various national economies with one another, by the increasing volume and growing mobility of financial capital and by the technological revolution,[4] to promote far-reaching and intricate structural reforms so as to enable them to attain the objective of appropriate insertion into that international order.

This is the logic underlying the strategies of economic openness and trade integration which have evolved in recent years in various latitudes, and have been particularly prominent in Latin America.

The primary objective of this effort — to fit properly into the new international division of labour — is undoubtedly vital, hence the commitment to achieving it. Nevertheless, it is equally true that the effort to do so has resulted in various and painful costs, as revealed by the impact which the opening up of economies has had on major sectors of the industrial infrastructures and on the labour force in our countries.

Hence, the urgency of developing compensatory mechanisms which, without losing sight of the final objective, make it possible to attain it at the lowest possible social cost and, in any event, by making these costs more tolerable. This is the functional logic that defines the role present-day international cooperation can play.

International cooperation in the context of the changes in the world

This cooperation, like any other component of world politics, is a reflection of the conditions prevailing on the world political scene. Hence the economic and technical cooperation that existed in the era of East-West confrontation was not unaffected by the ideology, paternalism and restrictions that derived from that conflict.

In the political and even the publicity sphere, cooperation was utilized to confront the "communist threat" or "capitalist penetration", as the case might be, and repeatedly as a vehicle for the propaganda of one of the two competing sides. Bilateral cooperation, as Víctor Urquidi wrote, "did not always serve legitimate development ends ... but (aimed at) promoting doctrines ... of the donors, in both the Western and the ... Socialist camp".[5]

Accordingly, the public relations impact rather than the actual effectiveness of international cooperation was one of the factors behind it, and this explains the discouragement or "fatigue" manifested towards it years later by a number of donor countries.[6]

In the multilateral arena, nevertheless, the development strategy and practice of the United Nations was becoming increasingly sophisticated, and simultaneously the countries of the South were designing clearer guidelines for institutional and programme coordination, so that international cooperation tended to gain not only in neutrality but also in its impact on the development priorities of the nations requesting such cooperation.

The broadening spectrum of operational activities of the United Nations system, spearheaded by the work of the United Nations Development Programme (UNDP), and the signing in 1978 of the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries afforded tangible evidence of this.

In this context, technical cooperation and economic cooperation were originally viewed as integral and complementary parts of a single phenomenon — international cooperation. As the years passed, however, it became obvious that the two forms of cooperation were being implemented on their own account, failing to take advantage of possibilities of mutual linkage that were potentially beneficial to those requesting cooperation.

Hence it is not just by chance that within the United Nations system, UNDP and the United Nations Conference on Trade and Development (UNCTAD) are the lead agencies for the conduct of these two forms of cooperation. With the ending of the cold war and the consequent ascent to hegemony of the Western approach to development, international cooperation rapidly lost its welfare orientation (at least among the majority of the Latin American countries) and moved towards cost-sharing schemes in which the ultimate objective is identified with the paradigms backed by that approach, and is evaluated on the basis of criteria of greater efficiency.

In this connection one may think, for example, of the priorities and objectives of the development cooperation policy pursued by the European Union — institutional capacity-building, support for the private sector and economic reform of the State — all of them aimed at fostering a better insertion of the European Union and the developing countries into the world economy and facilitating sustainable development.[7]

In conformity with this logic, and on the basis of initial cooperation by donors, impetus is now being given to the development of indigenous capacity in areas vital to the development of the recipient countries so that they may enter upon the virtuous circle of sustainable development and not remain permanently dependent on outside assistance.

In this connection, the General Assembly of the United Nations has rightly recognized that economic, social and environmental development are inseparable components of sustainable development; nevertheless, it appears quite certain that the synergy between these three originates in, or is activated by, high and sustained economic growth, since otherwise, the resources needed to promote social equity and rational exploitation of the environment would not be available.

Consequently, in order to make the role of cooperation as a mechanism for compensating for the costs of changes in the world a viable one, a vital need emerges to link economic cooperation operationally with technical cooperation.

Directions and characteristics of cooperation for development in Latin America

In response to the recommendation of the High-Level Committee on the Review of Technical Cooperation among Developing Countries, an illustrative reference framework has already been drawn up in the document "New directions for technical cooperation among developing countries". That document clearly outlines the possibilities of interchange between technical cooperation and economic cooperation generated by the changes in the world, and mentions specific examples such as trade and investment, production and productivity, debt, employment, poverty and the environment - all topics in relation to which economic and technical components can interact, with an obvious impact on the vital priorities of national development.[8]

The breadth of the thematic spectrum notwithstanding, it is far from being exhausted by such examples if consideration is given, in addition, to issues such as the reform of the State and structural adjustment policy; "know-how" relating to the mechanisms for dispute resolution in world and regional trade forums; knowledge of and access to sources of financing for foreign trade; promotion of business cooperation and support for small and medium-sized enterprises. All of these topics are undoubtedly relevant to the goal of proper insertion into the international structure.

Accordingly, the outlines of the current situation suggest that the appropriate moment has come to direct UNDP's cooperation in the region towards a meeting point between the two forms of cooperation that have so often been mentioned — technical cooperation and economic cooperation.

To put it in the terms used by the High-level Committee referred to above, it is time to adopt a "strategic vision" of the international cooperation for development being implemented in Latin America and the Caribbean.[9]

It is apparent that the adoption of such an approach offers numerous advantages on various levels. On the substantive and more important side, the link between the strategic vision of cooperation and sustainable development appears clear; on the operational side, the linkage between technical cooperation and economic cooperation would result in a focusing of our regional cooperation priorities (which today are certainly very numerous and very broad in nature) and likewise, in their implementation, would call for closer coordination between the various organizational units of UNDP (the Regional Bureau for this region and the Special Unit for TCDC) and between UNDP, UNCTAD and even the Economic Commission for Latin American and the Caribbean (ECLAC).

In this way, its thematic placement in a vanguard position and the operational advantages associated with its implementation could transform Latin American cooperation into a more attractive undertaking for potential donors outside the region and for non-traditional actors in our own countries (such as the business community) which have not yet become involved in cooperation initiatives in the hemisphere to the desired extent and at the desired level.

Moreover, this would also be a way of tempering the inertia apparent both in multilateral forums and in regional bodies or national organizations of developed countries which has had the effect of reducing contributions to the development of Latin America and the Caribbean.

Final considerations

In conformity with what has been argued throughout this paper, it may be deduced that the changes that have taken place in the world, and particularly in the international economic system, since the ending of the cold war, have had undeniable effects on overall development strategies and, in this context, on the cooperation policies both of countries offering cooperation and of the nations receiving it.

In this context and at least from an intellectual standpoint, a growing consensus appears to be emerging with respect to sustainable development, for the attainment of which a holistic vision of progress that simultaneously combines economic, social and environmental development is coming to be seen as essential.

Hence, given this objective and by reason of the nature of the main international transformations under way, cooperation for development constitutes a vital element in confronting the dynamics of change more effectively. Herein, accordingly, lies the central purpose of this study, mainly that of linking technical cooperation closely with economic cooperation. ◆

Notes

1. *Varas, Augusto. "La seguridad hemisférica", in Paz y Seguridad en América Latina y el Caribe en los Noventa, Lima, United Nations Regional Centre for Peace, Disarmament and Development and Latin America and the Caribbean, p. 45.*

2. *Bergsten, Fred. "The primacy of economics", Foreign Affairs, No. 87, Summer 1992, pp. 3-24.*

3. *Maira, Luis. "América Latina frente a los desafíos del nuevo sistema internacional". Diálogo y Seguridad, No. 1, December 1994, p. 60.*

4. *Cfr. Rosenau, James. N. "Globalizandor/localizante las nuevas dimensiones de la seguridad". Diálogo y Seguridad, No. 2, November 1995, p. 26 and Estay Reyno, Jaime. "América Latina ante la regionalización de la economía mundial", mimeo, p. 27.*

5. *Víctor Urquidi, "Hacia nuevas modalidades de cooperación internacional", en "La cooperación internacional en un mundo desigual", Mexico, College of Mexico, 1994, p. 36.*

6. *Ibid., p. 37.*

7. *Report of the Standing Committee on Economic Cooperation among Developing Countries on its third session. TD/B/42/(1)/7. TD/B/CN.3/16, UNCTAD, 1995, p. 14.*

8. *See document TCDC/9/3 of 7 April 1995, pp. 2 and 14.*

9. *Ibid.*

Chile and Central America: Five Years of Cooperation 1991 - 1996

BY RAFAEL SABAT

The author is the Coordinator of the Chilean Government's Horizontal Cooperation Programme with Central America in the Agency of International Cooperation of Chile.

Introduction

In mid-July 1996, the President of Chile, Mr. Eduardo Frei Ruiz-Tagle met with his Central American counterparts at the second Summit to be attended by a Chilean President since the restoration of democracy in 1990.

This meeting represents an important milestone for the Programme of Cooperation between Chile and Central America. Five years ago, in July 1991, the Programme was launched at the Summit Meeting between the former President of Chile, Mr. Patricio Aylwin Azócar, and the Presidents of Central America.

It is therefore an appropriate time to reflect on these five years of Chilean cooperation with Central America. A time to look back on the early years of the Programme and its achievements, but also a time to use the experience gained in these early years in order to further refine and develop the Programme.

Chilean - Central American cooperation: the early years

Despite the geographical distance separating these actors in the international system, Chile and Central America have enjoyed a close relationship throughout their history. The six thousand kilometers between them have in fact challenged them to establish a relationship of good neighbourliness and friendship quite unusual between States so distant from each other.

The foundations of this relationship were laid since early in the nineteenth century when Chile became the first country (1826) to accredit a diplomat, Pedro Nolasco Riesco, to the then recently independent United Provinces (Guatemala, El Salvador, Nicaragua, Honduras and Costa Rica). It was perhaps this event that would forever mark a fruitful relationship with many memorable milestones. It goes without saying that communications between our countries were, until very recently, much more difficult than they are now. A trip or a letter could take months. Perhaps, instead of being an obstacle to easy contact, this difficulty became an intriguing challenge to the human spirit. Chileans have not forgotten the time spent by Rubén Dario and other Central American intellectuals in Chile, nor the great influence of Chilean intellectuals in a wide range of intellectual disciplines in Central America.

The first missions of Chilean cooperation in Central America go back to the early years of this century and were military and cultural in nature. Thus it was with Chilean cooperation that the first military schools were established in the region. Also noteworthy was the arrival in the region of Chilean educational missions, which contributed to the development of teacher-training institutes. As part of these missions, large numbers of Chilean advisors spent in the region periods of time that were unusually long by contemporary standards. Their tours of duty sometimes lasted up to five years and many of them chose to settle afterwards in the region.

With the passage of time, this exchange took on another important dimension in that it lay the foundations for a relationship of cooperation which over the years proved to be of benefit to both Central Americans and Chileans. The early years of the twentieth century also witnessed a considerable flow of Central Americans traveling to Chile to study in its universities, a phenomenon that continued in the following decades. Chile offered them a quality educational system and a different opportunity for advanced training. An anecdotal fact confirms this point: the six Central American Presidents who signed the Joint Declaration with the President of Chile in 1991 had all studied in their youth in Chile.

Regrettably, the flow of cooperation activities was brusquely interrupted by the political events which occurred in Chile in 1973. The country was no longer what it had been before and therefore no longer cooperated with Central America. It also ceased to be an attractive choice for the pursuit of advanced studies. A large number of Chilean dissidents were expelled from the country and many of them benefited during those years from the generous solidarity of Central Americans. The cause of democracy in Chile was also defended by many organizations and Governments throughout the world. These events later became strong arguments for once again promoting cooperation after the restoration of democracy in Chile (1990).

The San Salvador Presidential Summit Meeting

After the restoration of democracy in Chile, the Government of the time set as its principal foreign policy objective the reinsertion of the country into the international community following the severe isolation which it had suffered during the 17 years of military dictatorship. One manifestation of this new policy was the priority that was accorded to the Latin American region. Thus it was that a little over a year after assuming the presidency, former President Patricio Aylwin accepted an invitation to participate in a meeting of Presidents of the Central American region. The meeting was held in San Salvador in July 1991 and was attended by the Presidents of Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama.

Chile and
Central America
have enjoyed a
close relationship
[illegible]
[illegible]

The meeting took place in an atmosphere inspired by the lofty ideals of democracy, social justice and respect for human rights, within the framework of the peace process being advanced under the Esquipulas Peace Plan. This spirit was heightened by the feeling of gratitude of the Chilean people for the solidarity which the international community had shown to them during the very difficult years of struggle for democracy. The country's gratitude was reflected in the interest shown by the new democratic Government in again becoming an influential actor in Central America, as it had been in the past.

Following consultations with the countries of the region, the Government of Chile decided to promote a horizontal cooperation programme in keeping with the old Chilean traditions in this field and placing special emphasis on Central America.

The final act of the Summit states:

"On this basis, they agreed to promote a plan of economic, scientific and technical cooperation between the countries of Central America, Panama and Chile which includes:

a. Technical assistance and the exchange of information for the design and execution of projects in different areas of interest;

b. Scientific and technological cooperation among universities and research institutes;

c. Training of human resources in priority areas through courses, seminars and general or specific exchanges in Chile or in the countries of Central America and Panama.

d. Establishment of programmes aimed at strengthening and disseminating the culture of the signatory countries;

e. Cooperation among business sectors through the promotion of Chilean private sector participation in projects of interest in Central America and Panama, or of the region's private sector in Chile, both through advisory services and through direct involvement in investment and co-investment projects;

f. Promotion of participation by the business sectors of the signatory countries in trade fairs."

The final act of the Summit also lists 14 priority areas for cooperation, of which the most important are natural resources, State reform, economic management, education and culture, environment, the productive sector and exports, and social policies.

implementation of the Programme: the internal situation

Following the Summit meeting, the Government of Chile embarked on a study of the methodology for the implementation of the Programme. From the outset, it was the Government's firm intention that the agreements should not remain a dead letter and the President of the Republic himself took the lead in underscoring the Government's interest in this regard. The Government therefore decided to entrust the operation of the Programme to the Agency for International Cooperation, (AGCI), an agency which had been established in 1990 for the purpose of coordinating the cooperation received by Chile. The Government had decided to locate the Agency within the Ministry of Planning and Cooperation in order to ensure that it had greater flexibility and a better perspective on the problems of national development. The country's experience as a recipient of international cooperation has therefore been useful for the establishment of guidelines for the elaboration of horizontal cooperation policies. It was therefore decided to entrust the operation of the Programme to this new agency for reasons having to do largely with flexibility and efficiency, which are key elements of horizontal cooperation policies.

The Agency thus began a process of review of the different aspects of the operation of a Horizontal Cooperation Programme with Central America. Its first objective was to determine the level of resources that would be needed. This was partly a domestic exercise, although a number of triangular and multilateral initiatives were already being carried out in this area. In any event, national resources were required. From the outset, the approach adopted was to implement programmes with shared costs, although the sharing was not necessarily in equal parts. Next began the crucial phase of any process in which a country decides to provide cooperation for the first time, namely, the sensitization of decision-makers both within the Government and inside the legislative branch, which in Chile approves the national budget. In early 1992, discussions were begun with the Ministry of Finance for the establishment of a budget for technical cooperation among developing countries. These discussions were not easy, since not everyone concerned was able to appreciate the mutual benefits which this type of programme could bring. At first sight it may seem contradictory that a country which, despite its sustained growth, suffered from severe social problems should decide to provide cooperation. The main argument used against these reluctant sectors was no longer solidarity but the projection of national capacities and the mutual benefits which this could bring. Finally, and thanks to an effective lobbying campaign which was boosted by the agreements reached at the San Salvador Summit, the spirit that inspired the Buenos Aires Plan of Action, Chile's tradition of cooperation, and the country's gratitude for the great international solidarity it had received, Parliament approved, in late 1992, the first TCDC budget in the history of Chile for operations to begin on 1 January 1993. Another noteworthy aspect of this process of establishing the Programme was its coordination with the country's foreign policy and its executing agency, the Ministry of Foreign Affairs. Close coordination with that Ministry was critical to the process of determining priorities for action.

Implementation of the Programme: the external situation

The discussion on the funds that would be used for the Programme of Cooperation did not prevent a number of cooperation activities from being carried out during the years 1990, 1991 and 1992. The resources used for these activities were mainly multilateral. A prominent example of this was the project between UNDP and the Government of Chile on "Support for activities among developing countries", in its various phases. Also for this project, the Government decided to allocate to a programme of horizontal cooperation resources which Chile had itself received. After various familiarization tours to the region, the Agency decided to base the operations of the Programme of Cooperation on a direct relationship with the focal points of cooperation of the different countries. This decision would become the key element in the Programme's success, since it would facilitate direct and forthright contact, free from bureaucratic interference, between the Agency and the various Departments of Cooperation in Central America. The focal points thus coordinate the requests received for cooperation from Chile and are the sole interlocutors for cooperation programming with AGCI. In other words, as the Agency's 1993 report states, in order to develop horizontal cooperation, Chile opted for a centralized management which both coordinates and complements the efforts of those countries with which it cooperates, the activities of the national entities participating in the agreed programmes, and the balance between the supply of Chilean cooperation and the requests of recipient countries. Thus began a process of mutual institutional learning which, after five years, may be described as fruitful.

The Government of Chile decided to promote a horizontal cooperation programme in keeping with the old Chilean traditions.

Programme objectives

Two types of objectives may be identified in this area: First, objectives that are related to the capacity of developing countries to find solutions to their problems of development. Behind these objectives lies the conviction that the most serious problems today are not national but transnational in character (migrations, drug trafficking, poverty, AIDS, etc.). In other words, cooperation yields mutual benefits. Second, objectives that are related to foreign policy priorities. These include the projection of national capacities in the different sectors and projection of the image of the country. In the case of Chile, the new policy of horizontal cooperation may be seen as a policy of State and not of Government. In other words, it is a long-term policy whose basic content should not be affected by changes in Government or in political direction. Furthermore, a consensus already exists in the country that a policy of this type can bear fruit only in the long term, as is the case with policies implemented in the education sector. A clear example of this is the continuity and strengthening of horizontal cooperation policies by the new Government of President Eduardo Frei (1994). The Administration's own programme for the period 1994-2000 is articulated as follows:

" In recent years, Chile has benefited from generous international cooperation and has itself been developing into a provider of international cooperation. This new role now constitutes an invaluable foreign policy tool which can project the capacities of Chile, enhance the country's image and promote effective exchanges."

Definition of Programme content

As regards the areas of cooperation selected, the Summit of Presidents has already established a framework for prioritizing the interests of the countries of the region. In 1992, the Agency, together with the focal points of the region, conducted a series of thematic workshops. In addition, a number of familiarization tours were undertaken in the region. Progress was also made in the preparation of a "Register of TCDC provided by the Government of Chile". Taken together, these elements would define the thrust of the activities to be carried out under the Programme of Cooperation. Of particular note is the importance that was attached to the elaboration of the above-mentioned "Register". In its two editions (1992 and 1993), the Register received wide dissemination throughout the region and promoted greater awareness of the country's real potentialities in the field of horizontal cooperation and of the possible executing agencies.

In its 1993 edition, the then Executive-Director of the Agency, Mr. Rodrigo Egaña Barahona, stated in the editorial:

"A crucial instrument for the implementation of programmes in this field is the identification and demarcation of those areas and activities where such cooperation can be provided, an objective which the elaboration and dissemination of the present document seeks to address. We hope that its use would contribute to more fruitful contacts

aimed at facilitating this type of cooperation and more effectively identifying the scope and impact of each activity that is implemented."

Over the years, as lessons were learnt by both sides, the lines of cooperation have become better structured. Thus, in 1996 the main areas of cooperation were as follows:

- Social development and poverty eradication
- Management of natural resources and the environment
- State modernization
- Public finances
- Productive development and export promotion
- Management of international cooperation
- Good governance

Programme criteria

During the past five years a body of experience has been gained which has enabled a series of programme criteria to be elaborated, the result of an ongoing dialogue between the actors in the Programme aimed at achieving their mutual goal of successfully implementing this type of initiative. The principal criteria includes a focus on the priority areas of cooperation. As indicated before, progress has been made since the launching of the Programme towards the goal of a greater concentration of activities in such a way as to achieve visible objectives. Secondly, the Programme seeks to impart a logical and sequential relationship to activities, both within the various lines of cooperation and between regional and bilateral activities. Thirdly, direct and exclusive communication links should be maintained between the Agency and the focal points. As indicated above, this policy has facilitated a consistent dialogue free of bureaucratic interference between AGCI and the focal points. Fourthly, a priority role has been assigned to the regional programme characterized by the regional seminar, which has given a particular stamp to the Chilean programme.

Programming and Funding

The programming of activities has been carried out in a manner consistent with the criteria that guide the Programme - programming sessions and annual reviews.

The programming sessions conducted to date are:

I	Session	Regional overview	1991
II	Session	Honduras	1993
III	Session	Panama	1994
IV	Session	Belize	1995
V	Session	Dominican Republic	1996

Since 1991, the Dominican Republic and Cuba have been included in the Programme's network which now comprises nine countries in addition to Chile.

At these meetings, the progress of the Programme is discussed and regional and bilateral activities programmed for the period ahead. Particularly noteworthy is the level of confidence and camaraderie which these meetings have achieved, thereby becoming in the process not only a meeting point for the Programme but also an instrument of support for intra-regional cooperation. With regard to the funding of activities, mention was already made of the existence of the TCDC Fund which is administered by the Agency and augmented by the counterpart contributions of the countries participating in the Programme. The level of these contributions has increased over time, since countries now participate either with their own institutional funds or with project funds from bilateral or multilateral sources. The Chilean Government's contribution over these five years of the Programme's existence has been approximately US$4,500,000 and, overall, including counterpart contributions, the Programme is estimated to have mobilized US$6 million. This figure does not include funds contributed under bilateral, triangular and multilateral activities.

Structure of the Programme

Activities under the Horizontal Cooperation Programme with Central America are focused on two key areas. The first is the programme of post-graduate fellowships in Chilean universities for Central American university graduates. Post-graduate studies, whether at the diploma or masters level, can last up to a maximum of two years. The principal requirements for candidates are that they should be public servants or university teachers and be sponsored by the institution. These are full international scholarships which provide a monthly stipend of US$850 and full payment of university tuition. Candidates submit their applications through the focal point. For the fellowship programme, which was started in 1993, 119 students have already been accepted. It is hoped to accept approximately 35 additional fellows in 1997. Spontaneous initiatives have now been launched involving fellows who have returned to their countries for the training of groups of former scholarship holders in the different Central American countries. It should be noted that this type of programme is also highly beneficial to the Chilean universities, since they internationalize the universities' programmes and the character of their curricula.

The other area is the Programme of Technical Cooperation which has both a regional and a bilateral component. The regional component has been one of the most outstanding successes of the Programme, since, many of the region's common problems have been addressed largely through the regional seminars conducted in the different countries of Central America. Up until June 1996, 50 thematic seminars had been held in the region, with nearly 3000 experts receiving training. It should be noted that more than 30 seminars and workshops have also been held in Chile over the past few years under the sponsorship of the Organization of American States and the Japan International Cooperation Agency (JICA) (using the modality of courses conducted in third countries), with nearly 1000 experts receiving training.

Separate agreement is reached on the bilateral component with the countries concerned. This component consists mainly of technical assistance and in-service training in areas that are relevant to regional activities, in order to give a sense of continuity to cooperation activities. In 1996, the organization of national seminars was begun on an experimental basis with the aim of achieving additional impact. One interesting consequence of the Programme which still lacks the modalities for follow-up is the establishment of genuine thematic networks in such areas as youth, social funds and the public budget, which have been created or supported in the Programme in order to implement cooperation activities. Note should also be taken of the exchange of materials, communication via the Internet or other simple but effective modalities of cooperation. It may be said that during these five years of activity, more than 6000 experts from the region have had direct contact with the Programme of Cooperation.

Useful lessons for operators of horizontal cooperation programmes

In the case of Chile after five years of horizontal cooperation, the main foundation for the launching and maintenance of this Horizontal Cooperation Programme in the author's view have been the following. First, a key element is the initial political support that was articulated in the 1991 San Salvador Summit. It manifested political will, which should naturally be translated into financial resources. It is necessary, however, to renew this political support, since the initial impetus naturally diminishes over time or else Governments themselves change. Consequently, this type of Programme must have the character almost of State policy, although this may not be its initial objective. Second, the technical follow-up of political decisions is required, with all the patience and dedication that are needed to sensitize mid-level management decision-makers, particularly those involved in budgetary allocations, to this issue. Third, reasonable familiarity with the national potential at both the thematic and institutional levels is of critical importance. In addition, appropriate institutional coordination at the internal and external levels is also necessary. Finally, it is necessary to make public opinion more aware of the need for the existence of this type of programme. This is a difficult but unavoidable task, since in a democracy it is (or should be) the electors who ultimately decide which path Governments should take.

Future prospects

In the final balance sheet of these five years, there is satisfaction with the development of the Programme, which has also spurred the development of other programmes, such as those with the English-speaking Caribbean countries, South America and Haiti. In other words, it has had a very positive impact on horizontal cooperation in general. In addition, other countries in the region have shown an interest in initiating or deepening their cooperation with Central America, which is again a very positive development. The visit of President Frei to Central America signals a renewal of political support for the development of the Programme at a time when a consensus is beginning to emerge on the need to participate in this type of initiative. Only after five years can it be said that one of the principal political achievements of the Programme is the legitimization of horizontal cooperation within the country. Much remains to be done, however, in this area. One challenge of the future is to accompany this type of initiative with theoretical medium and long-term studies aimed at garnering substantive support for the execution of horizontal cooperation programmes. In addition, progress must be made towards the creation of more reliable impact assessment indicators than those currently available. In addition to the above, it is also useful to reflect on the future of technical cooperation coordinating institutions at a time when the flow of communications and information is of a magnitude undreamt of a few years ago. On the other hand, the Programme should be expanded into areas such as financial cooperation, the linking of technical assistance to comprehensive agreements for cooperation (creation of an enabling environment for investments), implementation of triangular programmes that are broader in scope, support for thematic networks, massive utilization of the Internet and the expansion of advanced academic training programmes. ◆

The Use of Experts for TCDC

BY JANE ROSS

> *"There is a vast and untapped expertise in many developing countries, as well as those in transition, that can be put to effective use in increasing food production and food security in needy parts of the world, and this can be achieved with the benefit of pooled resources."*
>
> *— Jacques Diouf, Director-General of the Food and Agricultural Organization of the United Nations (FAO), July 1994*

Shared experiences, shared responsibilities and shared costs. These concepts are at the core of FAO's innovative partnership programmes which promise to enhance the impact, cost-effectiveness and sustainability of technical cooperation output. First proposed in 1994 and now operational, the programme for the Use of Experts for Technical Cooperation Among Developing Countries (TCDC) (and, similarly, the programme for the Use of Experts for Technical Cooperation Among Countries in Transition (TCCT) in Central and Eastern Europe), aims to use the complementary capacities of developing countries to foster national and collective self-reliance, through the exchange of experience, sharing of technical expertise and the development of mutual resources and skills. These initiatives reflect FAO's continuing positive response to the TCDC modality. Indeed, since the UN Conference on TCDC in Buenos Aires in 1978, FAO has strenuously promoted South-South cooperation in wide-ranging sectoral activities from intercountry consultations, workshops and seminars to study tours, the expansion of data and information systems and support to regional institutions and networks.

However, the TCDC concept continues to develop and evolve to meet challenges in international development. The FAO programme for the Use of Experts for TCDC represents a qualitative improvement in technical cooperation in that it creates a framework whereby expenses are shared among the country providing the expert, the beneficiary country and FAO. This mechanism, based on an agreement to which the participating countries and FAO become signatories and in which resources are pooled, is the first of its kind and represents a real means of involving beneficiaries as participants in development. Furthermore, this mutually supportive environment allows TCDC to take root and achieve real and lasting results in the development process.

Costs are shared by participants

In the past many cooperative agreements were not only ad hoc but costly: many developing countries were deterred from participation as foreign exchange constraints made the local costs involved in using experts from another country impossible to meet. The FAO programme, on the other hand, provides a catalytic support to make this technical cooperation possible.

The usual on-going cost of supplying an international consultant to FAO (including honorarium and daily subsistence allowance or DSA) has been estimated as US$14,000 per month. Under the FAO programme for TCDC, however, the cost amounts to just US$4,500, representing less than a third of the cost while using the same level of expertise.

How is this achieved? The country of origin (the Releasing Party) continues to pay the home salary of the expert(s), while the receiving country (the Beneficiary Party) covers the local costs of board and lodging. FAO, or the receiving project, contributes to the mission by sponsoring national and international travel, accident and medical insurance, as well as providing US$50 per day to the expert for living expenses and a small subsidy to the employer as contribution to the salary.

Needs are matched with expertise

Under the TCDC/TCCT arrangements, FAO acts as a facilitator ensuring that a country's needs are met with the most relevant expertise available. Developing countries propose the names of experts who can be used in other developing countries under the auspices of the programme. After technical evaluation and clearance, information on the expert (including education, technical and language skills and availability) is entered on a computerized roster for easy access, reference and use by FAO technical divisions. This ever-expanding retrieval system improves preliminary planning. When governments request development assistance, identify priorities and specify terms of reference for a mission, FAO can ensure that these requirements are adequately met. Once the releasing and beneficiary governments confirm their readiness to comply with the conditions and obligations set under the programme, the cooperative arrangements are concluded by FAO.

Dissemination of TCDC is widened

Under the FAO programme for the Use of Experts for Technical Cooperation Among Developing Countries (TCDC), experts have been reinforcing the TCDC message and promoting wider acceptance of the modality in various regional workshops and seminars in the developing world. In September 1995, for example, three specialists in the use of rice husks for grain drying from China and the Philippines acted as TCDC experts at the International Conference on Grain Drying in Thailand, a meeting sponsored by the Consultative Group on International Agricultural Research (CGIAR), the Group for Assistance of Systems relating to Grain After-Harvest (GASGA) and FAO. Shortly afterwards in Ghana, an expert in forestry policies from Burkina Faso led a Regional Expert Consultation on Forestry Policies in Africa , and in November 1995 two Cuban experts on viruses and micropropagation of citrus gave lectures during a two-week seminar in Venezuela under the auspices of the Inter-American Citrus Network.

> *FAO has strenuously promoted South-South cooperation in wide-ranging sectoral activities.*

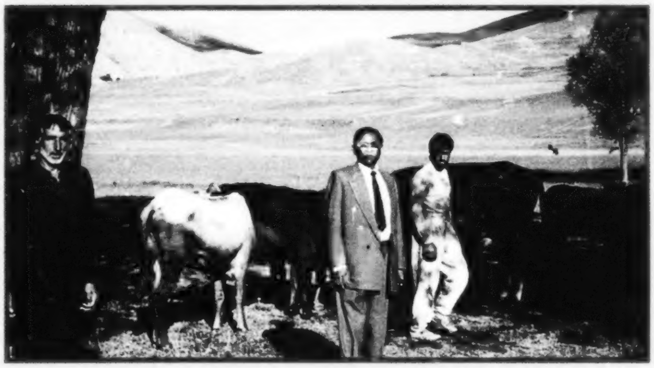
Experts have also been recruited recently under the FAO programme for The Use of Experts for Technical Cooperation Among Countries in Transition (TCCT) to participate, coordinate and organize meetings. A rural development specialist from Slovenia was assigned as a resource person and speaker at an FAO inter-regional workshop on post-cold war agrarian reform and rural development strategies in Hungary, which resulted in enquiries for future TCDC opportunities with Slovenia. An expert in pasture development from the Estonian Agricultural University was given help under the TCCT initiative to coordinate and arrange a formal meeting in Estonia on the development of white clover for the FAO/ESCORENA network on pastures and fodder crops. This support from the FAO programme allowed organization of the meeting in a Central and Eastern European (CEE) location and facilitated the exchange of information and experiences between the 30 researchers from 8 other CEE countries. Similarly, an expert in insect pollination from the State Veterinary Administration of the Slovak Republic was able to organize a two- day meeting in Nitra for scientists and beekeepers from all neighbouring countries to address the serious disease problems occurring in bee colonies in Central and Eastern Europe.

Beyond discussion to affirmative action

Since India became the first country to confirm its participation in the Use of Experts for Technical Cooperation Among Developing Countries (TCDC), after signing the accord in Rome on 23 June 1994, there has been an enthusiastic response from other FAO member countries and considerable progress in implementing the programme's aims. Indeed, as of the end of July 1996, 90 countries had signed the TCDC agreement with some 4,500 experts having been offered by countries and the number of assignments completed and on-going numbering more than 300. Furthermore, 10 countries from

Central and Eastern Europe had signed the Agreement on the Use of Experts for Technical Cooperation Among Countries in Transition (TTCT), and FAO technical divisions are exploring ways and means of best implementing the programmes to face the challenges posed to those countries who have recently undergone stabilization and structural adjustment programmes.

Requests continue to be received for expertise in a wide range of activities in nutrition, agriculture, forestry and fisheries, and short advisory missions have resulted, focusing on such key areas as food security, poverty alleviation and environmental awareness. A Tunisian expert has assisted Cape Verde modernize date palm technology. India has provided the Islamic Republic of Iran with the expertise of an animal genetic resources scientist and an animal feed resources expert to analyze and appraise livestock production and management systems in the country in an effort to improve efficiency and intensify breeding. The United Republic of Tanzania advised the Gambia on informed pesticide use and registration - an important step in implementing the International Code of Conduct on the Distribution and Use of Pesticides, which provides a framework for the regulation and control of pesticide use and helps countries achieve safer and more sustainable agricultural programmes. During three separate missions to the Dominican Republic, Cuban experts explored ways of boosting potato production, by identifying the factors limiting micropropagation, sharing the latest exchange advances in tissue culture, and advising on training, assessment and project design.



An animal genetic resources scientist from India on a TCDC mission to the Islamic Republic of Iran.

A Cuban TCDC expert in potato tissue culture with technicians from the Estacion Experimental Dueques Station, Dominican Republic.

South -South cooperation is strengthened

TCDC broadens and strengthens countries capacities and in the process encourages solidarity between farmers within and across regions. Asian countries continue to develop and strengthen Integrated Pest Management (IPM) exchanges with their African counterparts in farmers' field schools. Indonesian farmers have been responsible for generating strong technical cooperation with their African counterparts in recent years, and this TCDC dialogue was further enhanced recently during missions to the Gambia, which represents one of the most significant inter-regional exchanges undertaken under the auspices of the partnership programmes to date.

One of the most striking success stories in agricultural development in the last decade is how Indonesia - once the world's largest rice importer - has succeeded in becoming virtually self-sufficient in rice. This achievement is largely due to a combination of factors: a national rice strategy, the introduction of high-yielding cereal varieties and advanced farming techniques. In April 1996, this vast country with a population of some 200 million shared experience and lessons learnt with the West African country of the Gambia. Although a rice grower, the Gambia produces barely enough to feed its population and instead relies on imports of 60,000-70,000 tons every year. This growing dependency not only threatens food stability levels, but also drains the economy of scarce foreign exchange.

Technical exchange between the two countries was initiated when the Gambian Minister of Agriculture requested help from his Indonesian counterpart at the Non-Aligned Conference on Food and Agriculture held in Bali in 1994. Once the TCDC programme was finalized, two senior Indonesian experts with extensive field and policy-making backgrounds visited the Gambia for a month-long mission. Their brief was to assess the country's problems in rice production and suggest means of how the country could devise a national strategy of its own.

As Abdul Adjid, former Director-General of Food Crops Production at Indonesian Ministry of Agriculture, commented later, "We hope we were a help to them. At least we experienced the advice ourselves. It's not a theory from reading books. The Gambia has a potential for growing more rice. They get 1.7 tons of rice per hectare on irrigated l and and 1 to 1.2 tons on swamp land. In Java we get 5 tons on average and the best farmers get 12 tons. The Gambians tried to grow more rice by simply improving irrigation but this did not result in increased yields because although they have water they don't have the improved inputs like high-yielding seed. We are giving them the advice that, in principle, coordination of their farming sector is more important than subsidies for farm inputs." The Indonesians had discovered striking similarities in both the growing conditions and the farm size in both countries (i.e., an average of less than one hectare. However, as Adjid observed, "the big difference in food growing is that Indonesia has a national [rice] plan and the Gambia doesn't." Their visit served as a catalyst for the design and implementation of a national intensification strategy for rice growing in the country.

A Tunisian expert leads discussions on the diseases of date palm roots with agriculturists and technicians in Cape Verde.

Technology transfer targets those most in need

The TCDC/TCCT programmes supplement and complement other ongoing 1994 FAO programmes for TCDC, rather than replacing old ones. Indeed, FAO foresees the programme as increasing the effectiveness of the wealth of expertise already accumulated in such ongoing priority programmes as the Special Programme for Food Security. The main objective of this Special Programme is to help low-income food-deficit countries produce more of the food they need in a stable and sustainable manner. The focus is on areas and foods with high potential, and on-farm demonstrations are a means of introducing farmers to the benefits of small-scale, manageable production schemes for heightened environmental awareness. The strong participatory principle of the Special Programme provides an opportunity for strengthening technical cooperation using experts from other developing countries with comparable conditions and similar stages of development. In this context, a Bangladeshi expert from International Development Enterprises (IDE) recently imparted his country's experience of a small-scale irrigation technology with farmers in Zambia.

The mission organized under the FAO programme for TCDC demonstrated the benefits of the Asian treadle pump and highlighted its compatibility with local conditions. The treadle is a simple walking pump which enables the poorest farmers in Asian countries such as Bangladesh, India, Nepal, Viet Nam and Cambodia to increase income and move beyond mere subsistence by allowing a second crop to be harvested during the dry season, new varieties of vegetables to be planted and crops to be grown in semi-arid areas where nothing previously grew. The technology is affordable, durable and easy-to- use and could prove an invaluable small investment for farmers in Zambia, whose livelihoods have been severely affected by drought in recent years.

The expert's visit illustrated the feasibility of adopting and introducing the well-tested Asian model (made in Bangladesh and Cambodia) into Zambia and highlighted the weaknesses of the locally designed and constructed water pumps. Although some work is required into researching possible modifications for local use, it was suggested that an initial batch of 200-400 be imported from Asia, with an additional 100-200 made up by local companies as prototypes for familiarization with the design and manufacturing procedures. Recommendations included devising a detailed programme for the training of local staff on the introduction, installation and maintenance procedures for the treadle pumps.

Participation is broadened - the involvement of NGOs

The mission of the expert from Bangladesh to Zambia resembled an increasing number of assignments under the FAO programme in that it enlisted the expertise of NGOs. Increasingly prominent in TCDC, their involvement increases opportunities and enriches the base of participation in the development process.

The strong participatory principle of the Special Programme provides an opportunity for strengthening technical cooperation.

A notable example of such an exchange took place in May 1996, when a Latin American NGO, the Guyana's Consumers Association (GCA), advised Trinidad and Tobago during a two-day Symposium on Food Security and Nutrition - A Consumers Perspective. The participation of the GCA expert proved forcefully that NGOs have a vital role to play in analyzing and assessing problems and proposing action at the local, national and international level.

Under the FAO programme the Government of Trinidad and Tobago called on Guyana's wide experience in food security issues and its means of coping with food shortages during austerity periods. Although Trinidad and Tobago has a stable food supply compared to many developing countries in the Latin America and Caribbean region, many vulnerable sectors of the population have limited access to adequate, safe and healthy food. As a result many suffer from low nutritional status which has led to an upsurge in nutrition-related illness and disease. Food shortages occur and during this "lean" season the country faces the dilemma of a high food import bill.

The Guyanese expert presented a paper focusing on elements of food security such as availability, access and consumption and, through a series of group discussions and workshop sessions, imparted her country's experience in replacing imported food items with locally produced substitutes in times of acute foreign exchange shortages.

The symposium was an invaluable forum for initiating improved practices and policy-making at the national level. Furthermore, the meeting also promises to influence action at the international level. It was organized as one of the promotional activities for the forthcoming World Food Summit (WFS) to be held at FAO headquarters in Rome in November 1996, which aims to mobilize international commitment to combat freedom from hunger and ensure food for all. FAO has encouraged NGOs to participate in the Summit preparations by building into the summit process their grassroots experience of food security problems and programmes, providing comments on the WFS technical documents, exchanging information and promoting dialogue on food security issues.

The participation of the GCA expert at the symposium in Trinidad and Tobago, therefore, served to not only promote NGO involvement in the World Food Summit, but also to contribute significantly to the preparation of Trinidad and Tobago's country position paper for the Summit. In turn, Guyana recognized the value of this TCDC exchange and hopes to replicate a similar exercise in the country as part of their national preparations for the World Food Summit.

Future potential

This innovative mechanism of using experts for TCDC and TCCT has already achieved positive results in reinforcing the spirit of cooperation among countries and across regions. By creating an environment for the active collaboration of all parties in the exchange process, the FAO programme ensures that specific objectives can be addressed, leading to increased commitment, adaptability and, above all, sustainability.

List of countries which have signed TCDC agreement (July 1996)

Algeria, Angola, Argentina, Bahamas, Bangladesh, Belize, Benin, Bolivia, Botswana, Brazil, Burkina Faso, Burundi, Cambodia, Cameroon, Cape Verde, Central African Republic, Chad, China, Colombia, Comoros, Congo, Costa Rica, Cote d'Ivoire, Cuba, Cyprus, Democratic People's Republic of Korea, Dominica, Dominican Republic, Ecuador, Egypt, El Salvador, Equatorial Guinea, Eritrea, Ethiopia, Fiji, Gambia, Ghana, Grenada, Guinea, Guinea Bissau, Guyana, Haiti, Honduras, India, Indonesia, Islamic Republic of Iran, Israel, Jamaica, Jordan, Lebanon, Lesotho, Liberia, Malaysia, Maldives, Mali, Malta, Mauritania, Mauritius, Morocco, Mozambique, Myanmar, Namibia, Nepal, Nicaragua, Niger, Nigeria, Pakistan, Paraguay, Peru, Philippines, Republic of Korea, Rwanda, Saint Lucia, Senegal, Sierra Leone, Sri Lanka, Sudan, Suriname, Syria, Togo, Trinidad and Tobago, Tunisia, Turkey, Uganda, United Republic of Tanzania, Uruguay, Venezuela, Yemen, Western Samoa, Zaire, Zambia, Zimbabwe (92)

List of countries that had signed the TCCT agreement (July 1996)

Armenia, Bosnia and Herzegovina, Croatia, Estonia, Georgia, Hungary, Lithuania, Romania, Slovak Republic, Slovenia* (10)

* *Signed agreement awaited from Llubjana*

Directory of Institutions and Experts of Small Island Developing States

BY ATSEDE WOREDE KAL,
Information Services Officer
TCDC Information Referral Service (TCDC-INRES)

The Special Unit for TCDC is pleased to announce the preparation of four volumes of the Directory of Experts of Small Island Developing States. The Directory was prepared in accordance with the recommendation contained in paragraph 106 of the Programme of Action adopted by the Global Conference on the Sustainable Development of Small Island Developing States which was held in Barbados from 25 April to 6 May, 1994. The conference, which has its genesis in chapter 17, section G of Agenda 21, was held to provide a framework that responds to the special challenges and constraints facing small island developing states in achieving sustainable development. The Conference adopted the Barbados Declaration and the Programme of Action for the Sustainable Development of Small Island Developing States, identifying 14 key areas where international assistance and cooperation is urgently required. The Programme of Action also outlined a number of short, medium and long-term actions and policies related to environmental and development planning that should be undertaken by small island developing states with the cooperation and assistance of the international community.

Within its mandate to promote technical cooperation among countries, the Special Unit for TCDC has been designated to coordinate the follow-up and implementation of the recommendations of the Global Conference pertaining to Small Island States Technical Assistance Programme (SIDSTAP); and an integral part of the SIDSTAP Programme is the preparation of a directory of institutions and experts in order to identify skills that might be available to these countries in their effort to implement the Programme of Action.

SU/TCDC initiated a data collection campaign for the preparation of the Directory in early 1995 through the use of national consultants and in close collaboration with UNDP country offices and TCDC focal points. SU/TCDC provided the consultants with developing the necessary guidelines for the identification of institutions and individuals and also developed and provided a computerized registration system for collecting and recording the institutional and personal data in the field.

In the collection of both institutional and individual data, special priority was given to those sources with expertise in the following areas that have been identified as priorities of Small Island Developing States (SIDS).

- Management of Coastal Zones and Marine Resources
- Bio-industries and Maintenance of Biodiversity
- Biologists (biological studies such as botanical [illegible])
- Management of Water Resources
- Management of Natural and Environmental Disasters
- Management of Waste
- Management of Tourism, Land and Energy Resources
- Transport and Communication
- Science and Technology
- Human Resource Development
- Food Security and Food Production
- Policy Formulation in Areas of Common Interest to Developing Countries
- South-South trade
- Technology Adaptation and Transfer

SU/TCDC has now published the following four

News and Perspectives:

GLOBAL NEWS AND INITIATIVES

The Second United Nations Conference on Human Settlements (HABITAT II) marked the beginning of a new era in development—one in which local mayors and officials were included in discussions and planning that up to the present had been the bailiwick of international donors, agencies, and national governments. In support of the HABITAT II preparatory process, SU/TCDC supported a number of regional meetings in collaboration with host municipalities over the last fourteen months to deal with urban development issues. Colloquia were held in Accra, Ghana; Quito, Ecuador; Amman, Jordan; Bangkok, Thailand; and Kathmandu, Nepal in 1995 and 1996, with support also provided by the UNDP Urban Development Unit, the regional offices of the UN Centre for Human Settlements (UNCHS), and other UN agencies. UNDP also supported, together with the UN Department for Development Support and Management Services (UN/DDSMS), an Eastern European Colloquium on Urban Management held in Warsaw, Poland. The main thrust of these regional colloquia was to share ideas, experiences, policies, and approaches that have proven effective in dealing with pressing urban concerns.

To further enhance this learning process through exchange of know-how and experiences, the Special Unit for TCDC commissioned a Monograph on Effective Practices for Urban Management. The Monograph served as an important background document at the regional colloquia sponsored by the Special Unit and others. A Panel of Mayors Meeting on Sustainable Urban Governance for Poverty Alleviation was also organized on the occasion of the Third Preparatory Committee Meeting of HABITAT II, held in New York in early February 1996. Results of the Accra and Quito regional colloquia, and the plans and strategies emerging from the Kathmandu and Amman meetings, were presented at the Panel by the Mayors of the host cities, and their representatives. In Istanbul in June of 1996, SU/TCDC organized an inter-regional symposium to pull together the findings and conclusions of the various regional colloquia on sustainable urban development held under its sponsorship. This symposium also underscored TCDC and South-South cooperation as important instruments in the implementation of the HABITAT II Global Plan of Action adopted in Istanbul.

Other SU/TCDC-sponsored meetings are planned as well over the next year. One of these efforts is targeted specifically at enhancing Latin American and Caribbean linkages with other regions of the world. As the world economy grows more liberalized, countries everywhere must take measures to position their economies competitively in the global marketplace. Some countries in the South however, are better situated than others to compete. Moreover a purely individualistic one-on-one model of market competition is an ideal that may not be practical for the economic development of many smaller nations. Early in 1997 SU/TCDC and the Group of 77 countries will hold a conference on the implications of liberalization and globalization for South-South economic co-operation and collaboration. This conference will explore the ways in which Southern countries can work together to prosper in the rapidly changing world economy.

One of the effects of the current climate of economic change is that international development funding is not as readily available as it once was. In December 1995, the General Assembly mandated that a trust fund be established to support South-South cooperation, particularly technical cooperation among developing countries. The Government of Japan is the first industrialized country to express interest in committing funding to establish the Trust Fund. The legal framework for the Trust Fund was operationalized in the spring of 1996 under the authority of the UNDP Administrator with the Special Unit for TCDC acting as the fund manager. It is expected that this Trust Fund will ensure the continued support of South-South technical cooperation well into a future otherwise characterised by uncertain funding structures for development.

The Perez-Guerrero Trust Fund (PGTF) for TCDC-ECDC, which was established by the General Assembly in December 1983, continues to provide support to institutions of developing countries, members of the Group of 77 in funding TCDC-ECDC activities and projects that fall within the framework of the Caracas Programme of Action on ECDC. The fund has a US$5 million capital and awards small grants which provide complementary funding to projects executed by developing country institutions benefiting two or more G-77 member countries. Then grants are provided from the annual interest earning of the fund's capital. The eleventh meeting of the Committee of Experts of the PGTF met in New York, 8-10 July 1996 and approved six projects totalling US$459,800. The fund is named for Ambassador Manuel Perez Guerrero whose distinguished career included serving as Secretary-General of UNCTAD. The deadline for submission of proposals is the last day of March of each year. For more information on the PGTF, please contact the Office of the Chairman of the Group of 77, UN Secretariat, room no. S-3959, telephone (212) 963-3816.

Work on the establishment of the Small Island Developing States/ Technical Assistance Programme (SIDS/TAP) continues this year as part of the Special Unit's mandate to support sustainable development among SIDS around the world. Assessment missions were undertaken in the Small Island Developing States in the Africa and Caribbean regions in late 1995 to identify priority technical cooperation gaps falling under the 14 chapters of the SIDS Programme of Action adopted in Barbados in April/May 1994. A dialogue has also been initiated with the three main Pacific Island intergovernmental bodies, namely, the South Pacific Forum (SPF), the South Pacific Regional Environment Programme (SPREP), and the ESCAP Pacific Operations Centre (EPOC). These organizations have jointly formed a regional consultative mechanism to coordinate the implementation of the SIDS Programme of Action in the Pacific Island States. Upon identifying appropriate resources for implementation, specific projects are to be formulated in 1996 utilizing TCDC instruments to address these priority gaps at the sub-regional and regional levels.

Consultations also continued in 1995 and 1996 with regard to the development of the Information Network for Small Island Developing States (SIDS/Net). An update of the SIDSNet Feasibility Study prepared some twenty months ago was undertaken in April and May 1996 with the collaboration of the SEEDS/Sustainable Development Network Programme (SDNP). The study update provided four options for the further development of SIDSNet for consideration by the Alliance of Small Island Developing States (AOSIS). A decision is expected from AOSIS shortly. AOSIS has recently agreed that the Special Unit for TCDC should assist in updating the information contained in the original SIDSNet Feasibility Study submitted to the General Assembly in 1994. Key areas to be updated include the increased access to the Internet by SIDS, decreasing costs of computer equipment in general globally, and favourable legislation regarding post and telecommunications in some SIDS. The updating process will last approximately two months, resulting in recommendations as to the appropriateness of an experientially-based SIDSNet pilot exercise designed to establish the network. The initial draft of a directory of scholars and institutions knowledgeable about development issues in SIDS has also been completed, and will be available in both bound form and via the Internet through the TCDC Information Referral System (TCDC/INRES).

Training continues to be an important area of focus for the Special Unit. Cooperation South is pleased to report that the TCDC sensitization and training programme that has heretofore been carried out on a country-by-country and situational basis, is now a global curriculum. The United Nations Training Programme at the International Training Centre in Turin, Italy has recently incorporated TCDC as one of the core modules in its management development, national capacity strengthening training efforts. The International Training Centre has been designated by the Secretary-General as the Staff College for the United Nations. For the first time, SU/TCDC is embarking on a global training strategy within the framework of the UN system. TCDC is now being taught as the second core module in the master training programme for development professionals around the world.

The training programme itself is approximately one month long and encompasses core studies in team-building, capacity-building, training skills, project formulation, networking, and now TCDC. Mid-course, participants diverge into one of three tracks: organizational development and policy analysis, project and human resource management, or public sector procurement and budgeting. The TCDC module will distinguish the features of the modality, and train participants in institution-to-institution cooperation skills for both the public and private sectors. In addition to this expansion of TCDC sensitization, the original training efforts in this regard continue to be implemented at UNDP headquarters, and in the UNDP Country Offices. Programmes such as briefing UNDP field staff, headquarters based courses for junior professional officers, and briefings for other development practitioners, continue on a regular basis.

Also continuing at UNDP headquarters in New York are a variety of informational activities. A TCDC pamphlet on sustainable human development is one example of numerous information publications which the Special Unit regularly makes available to the development community worldwide. This pamphlet includes concrete examples of TCDC in particular priority areas as the environment, urban management, jobs, and women's issues.

The TCDC Information Referral System, or INRES, is a key continuing initiative of the Special Unit. INRES is an on-line database devoted to the compilation and dissemination of information on institutional capacities in developing countries. In keeping with the endorsement by the ninth session of the High Level Committee for the Review of TCDC, the Special Unit has been mandated to expand INRES into a multi-dimensional database which will contain information not only on institutions, but also on individual consultants, centres of excellence and innovative technical cooperation projects and programmes that could be replicated elsewhere in the South. Of central importance in expanding the database is the inclusion of successful projects in core areas of UNDP's Sustainable Human Development (SHD) Strategy—poverty elimination, jobs and sustainable livelihood, regeneration of the environment, and the advancement of women in development. The new, expanded INRES will also serve the information needs of nearly every development actor, North and South, seeking to support SHD through bilateral and multilateral cooperation.

The INRES expansion has been supported by a donation from the Government of Japan in the amount of US$314,037. It is hoped that the keen interest shown by Japan in supporting South-South cooperation in general, and the donation to this important project in particular, will serve as a positive example to other donors. Contributions to projects such as INRES constitute an investment in both the national and collective self-reliance of developing countries, and in greater accessibility regarding the information necessary for development cooperation among the nations of the South.

TCDC support for NGO activities is exemplified by the work carried out by the Third World Network (TWN) to strengthen developing country capacities in such key areas as trade, investment and bio-diversity. A series of activities are currently being implemented under SU/TCDC-TWN auspices which will strengthen technical capacities of the South in preparation for the World Trade Organization (WTO) Ministerial-level meeting in Singapore in December 1996. ◆

AFRICA REGION

On 29 June 1996, a Sourcebook on African Food Production and Processing Technologies for Commercialization was officially launched in Nairobi, Kenya, by the Research and Development Forum for Science-led development in Africa (RANDFORUM) which conducted the study. SU/TCDC was represented by the Regional Officer for Africa. The launching of the Sourcebook was the culminating event of a six-day Exhibition and Workshop focussed on African Food Processing Technologies for Commercialization sponsored by UNDP and RANDFORUM.

The Sourcebook was commissioned by SU/TCDC in an effort to help RANDFORUM to document in a comprehensive way technologies for food production and processing in Africa. The Sourcebook contains prototypes and products of the Africa region with commercial potential to improve food and nutritional security in Sub-Sahara Africa. The Sourcebook is seen as a catalyst in forging a strategic partnership between the African researchers and development practitioners on the one hand and the private sector, development financiers and the entrepreneural community on the other to enable commercialization of these technologies and their productive use by the community at large. Availability of the technologies and products on a commercial scale should contribute to the attainment of food self-sufficiency in Africa and the sustainability of the small-scale farming households. The opportunity for technological cooperation and exchange of information has been limited and information on viable innovations are not readily available, the Sourcebook seeks to fill this gap.

The Sourcebook contains 180 pages of diagrams and charts on technologies and food processes in use in Africa. It is considered a first edition of a larger work in progress. The book is available in English and French through RANDFORUM, Nairobi, Kenya, fax. no. 254-2-564-376.

SU/TCDC provided support to the African-Market organized in Ouagadougou, Burkina Faso, in early August 1996, which brought together community-based and non-governmental organizations seeking to scale-up commercial activities in the areas of food processing and preservation; recycling of waste and used materials; textile production; and natural medicine. The gathering enabled a valuable exchange of information on product improvements as well as on ways of overcoming constraints such as irregular provision of raw materials, access to appropriate equipment and capturing foreign markets for producers.

The assessment cum programming mission of the Indonesian Team of experts in the fields of agriculture, debt management and technology transfer which visited five African countries is in the final stages of its work. This mission is expected to identify areas for joint cooperation between Africa and Indonesia for support from SU/TCDC, beneficiary countries and third parties.

In other areas of programme development under the new directions for TCDC, the Government of South Africa as well as the Government of Senegal have agreed to play a pivotal role in the Africa region in promoting South-South cooperation. ◆

ARAB STATES/ EUROPE/CIS REGIONS

The Director of the Special Unit for TCDC travelled to Djibouti in March of 1996 to participate in the Regional Meeting of UNDP Resident Representatives/Resident Coordinators of the Arab Region. These meetings provide the opportunity for a review of policies carried out at the regional level, and potential new directions for programme activity are also discussed. Dr. Benn was in Djibouti for the meetings from 6-9 March to brief participants on possibilities for TCDC activities in the region.

One of the initiatives discussed was an effort to generate cooperation links with the Programme for Assistance to the Palestinian People (PAPP). This initiative seeks to strengthen ties between the Palestinian Authority and other countries in the region as well as with other developing countries.

The Regional Communication and Information Network described in the last issue of Cooperation South is progressing towards operationalizing its programme. At present, networks and databases in the region are not connected directly and the Network is a joint effort among the Mishrek and Maghreb states to establish an "Arab information superhighway," linking computer on-line networks and databases in the region to one another.. Continuing the proceedings begun at the Cairo and Tunis workshops held in 1995 with the support of SU/TCDC, a third workshop is to take place in Amman in the coming months. The Amman workshop is expected to finalize the work begun at the 1995 workshops, setting the stage for the network to become fully operational.

The Statistical, Economic and Social Research and Training Centre for Islamic Countries (SESRTCIC) of the organization of Islamic Countries (OIC) — a 52-member group of nations stretching from Morocco to Indonesia and Senegal to Bosnia and Herzegovina — is preparing a workshop to be held later in the year for exchange of technical know-how and expertise in the creation of industrial zones in selected countries. This TCDC activity bringing together senior decision-makers and technicians from the Islamic world with others in the South is intended to build capacities in the OIC countries toward establishing and operating industrial zones for socio-economic development. The proposal has been approved for support by SU/TCDC.

Another proposal submitted by the Research Centre for Islamic History, Art and Culture (IRCICA) of the OIC, intended to contribute to the reconstruction and rehabilitation of historic sites in Bosnia and Herzegovina, is under active consideration. It is expected to be implemented shortly.

Many of the activities reported here in "News and Perspectives" are rather large scale, involving countries and whole regions. The Europe/CIS Region this year initiated a much smaller, and more personal form of South-South exchange. A librarian from Costa Rica was in Armenia for a period of 3 months to help establish the UN Reference Library at the United Nations Information Centre, University of Yerevan, and to train a group of national librarians. The project linked both the reference library and information centre to the larger library at the university while introducing computer techniques for classification of reference and other materials. ◆

ASIA/PACIFIC REGION

In early 1995, the Special Unit brought together in Iloilo City, Philippines, a number of countries from the Asia/Pacific region to exchange ideas, experiences, policies, and practices in dealing with issues relating to the role of women in fisheries development. This activity highlighted the critical lack of well-documented information on successful approaches developed within the region that address the numerous issues confronting women as they engage in fishing as a livelihood. As a result, a regional database to capture such information has been proposed for consideration by the countries concerned. This activity was a follow-up to the Capacities and Needs Matching Exercise on Coastal/Inland Fisheries and Aquaculture Management held in Yangon, Myanmar in December 1994.

With SU/TCDC support, Pacific island countries established PACINET, the Pacific Island Network on Biosystematics. This network was designed to develop the capacity of Pacific Island States to identify and classify the kinds of insects, nematodes, and micro-organisms found within their ecosystems. The proper identification and classification of these organisms is important for the proper management and sustainable development of food and agriculture, the conservation of biodiverse species, and the meeting of the obligations of these countries under the Convention on Biodiversity. PACINET will help Pacific island States manage their biodiversity as a resource for development. A similar network, covering the countries of the Association of Southeast Asian Nations (ASEAN) and dubbed ASEANET, is to be established with assistance from the Special Unit in 1996.

The Special Unit supported an inter-regional review in China last year of the experiences and lessons learned to date regarding the use of business incubators in small enterprise creation. This review examined incubators' impact on local economic growth in the cities and communities of the countries where they have been introduced, namely Brazil, Mexico, Nigeria, Turkey, China, Poland, and the Czech Republic. The Unit also supported a recent gathering of senior-level policy-makers from the region to exchange experiences, policies, and practices on social reform and development in the wake of trends toward economic liberalization and formation of regional trading blocs among Asian economies. This gathering also examined the ways in which newly adopted, market-oriented macroeconomic policies could be harmonised with existing social and economic practices in Asian countries. An Asian Transitional Economies Programme is presently being considered for support by SU/TCDC. This programme will involve 10 countries in the region which are engaged in a process of transition to a more participatory and liberal political and economic system.

In an effort to further economic cooperation among developing countries (ECDC), the Special Unit is considering a collaborative arrangement with UN/ESCAP. This collaboration would assist a number of Pacific island countries to enhance their trading capacity with some of the more advanced Asian economies, such as Singapore, the Republic of Korea, Hong Kong, and Thailand. This activity is expected to provide useful insights in engaging Asian pivotal countries in a trade and development partnership with their developing Pacific island neighbours. ❖

LATIN AMERICA/ CARIBBEAN REGION

Activities in support of poverty alleviation, science and technology, and institution building are being implemented. In the area of poverty alleviation, in October of 1995, a technical level meeting of the Group of Rio countries took place in Quito. This meeting—a follow-up to the 1995 Copenhagen Summit—discussed ways in which South-South cooperation can be used to alleviate poverty among countries in the region. The Quito meeting came up with a proposed programme of activities for the region, and a list of offers and demands for TCDC in a variety of sectors. In January 1996, a ministerial level meeting in Santiago was held, also as a follow-up to the Copenhagen Summit, and to the 1994 Summit of the Americas in Miami. The ministerial level meeting legitimized the programme recommended in Quito. The programme and list of TCDC offers and demands are currently under consideration, with a number of initiatives that will be funded by the time of this publication.

We reported in the last Cooperation South regarding a major Capacities-Needs Matching Exercise geared toward poverty alleviation that took place in Haiti, November 1995. SELA nations (Spanish acronym for the Latin

American Economic System), along with the UNDP Country Office in Haiti participated in the exercise, held under the auspices of SU/TCDC. This exercise was considered by all participants to be successful with more than 100 agreements made regarding TCDC and future development planning in Haiti. Over 40 projects have come into being, all of which have been bilaterally-funded by Latin American Governments. SU/TCDC will in the coming year be following up on these projects to ensure their effective implementation in collaboration with the UNDP Country Office in Haiti. Haitian President Preval has fully endorsed this initiative, giving it a high priority in the country's current development efforts. The active participation of the donor community and the UN development system agencies os noteworthy including Canada, UNDP, FAO, WHO, WFP, the International Organization for Migration (IOM) and the Inter-American Development Bank.

A central theme of HABITAT II was be poverty elimination in cities. Out of the earlier meeting in Quito this past January, SU/TCDC funded a series of meetings on the relationship of poverty to urban management in Latin American cities. Concrete agreements came out of these meetings, including a commitment to formally institutionalize cooperation among cities in the region around improving municipal management in ways that positively affects urban economic development. SU/TCDC has funded this commitment—at present operating under the aegis of the municipality of Quito—with initial support of US$100,000.

In the area of science and technology, SU/TCDC has committed to working with Latin American technological research and development teams—especially those located at universities—in support of a network of information networks in the region. There are currently a number of economic and socially-oriented information networks around Latin America and most are accessible via computer modem. These networks however, tend to be highly specialized and not interconnected. SU/TCDC is funding a study of all existing Latin American networks to determine what currently exists, and to assess the ways in which a network of networks can be implemented. All involved with the initiative hope to see the capabilities and interconnectivity of Latin American science and technology networks expanded and enhanced as a result.

In the area of institution-building, SU/TCDC is considering action in two arenas pertaining to Latin America. Developing countries in the region have requested a forum to discuss the complimentarities between economic cooperation, or ECDC, and technical cooperation, or TCDC. Latin American countries realize that these matters frequently overlap, and are requesting a discussion that synchronizes these two areas. SU/TCDC is presently weighing the prospect of funding high-level meetings in this regard.

Finally, given the success of the Capacities-Needs Matching Exercise in Haiti, SU/TCDC is considering another, similar institution-building exercise at the level of the region. This exercise, if funded and undertaken later in the year, will investigate the ways in which the larger national economies of Latin America can collaborate with smaller ones to enhance everyone's prosperity in the changing world economy.

Of particular interest have been activities in the English-speaking Caribbean which include a TCDC sensitization and training exercise that took place in Guyana in March 1996; a study on structural reforms in the health sector; exchanges of "replicable practices;" the preparation of the SIDSTAP (Small Island Developing States Technical Assistance Programme) assessment as well as the Directory of Experts available in the sub-region.

Finally a focal points meeting that took place in Mexico in May 1996 analyzed linkages between TCDC and ECDC and shared practical experiences on actual operational schemes. ◆

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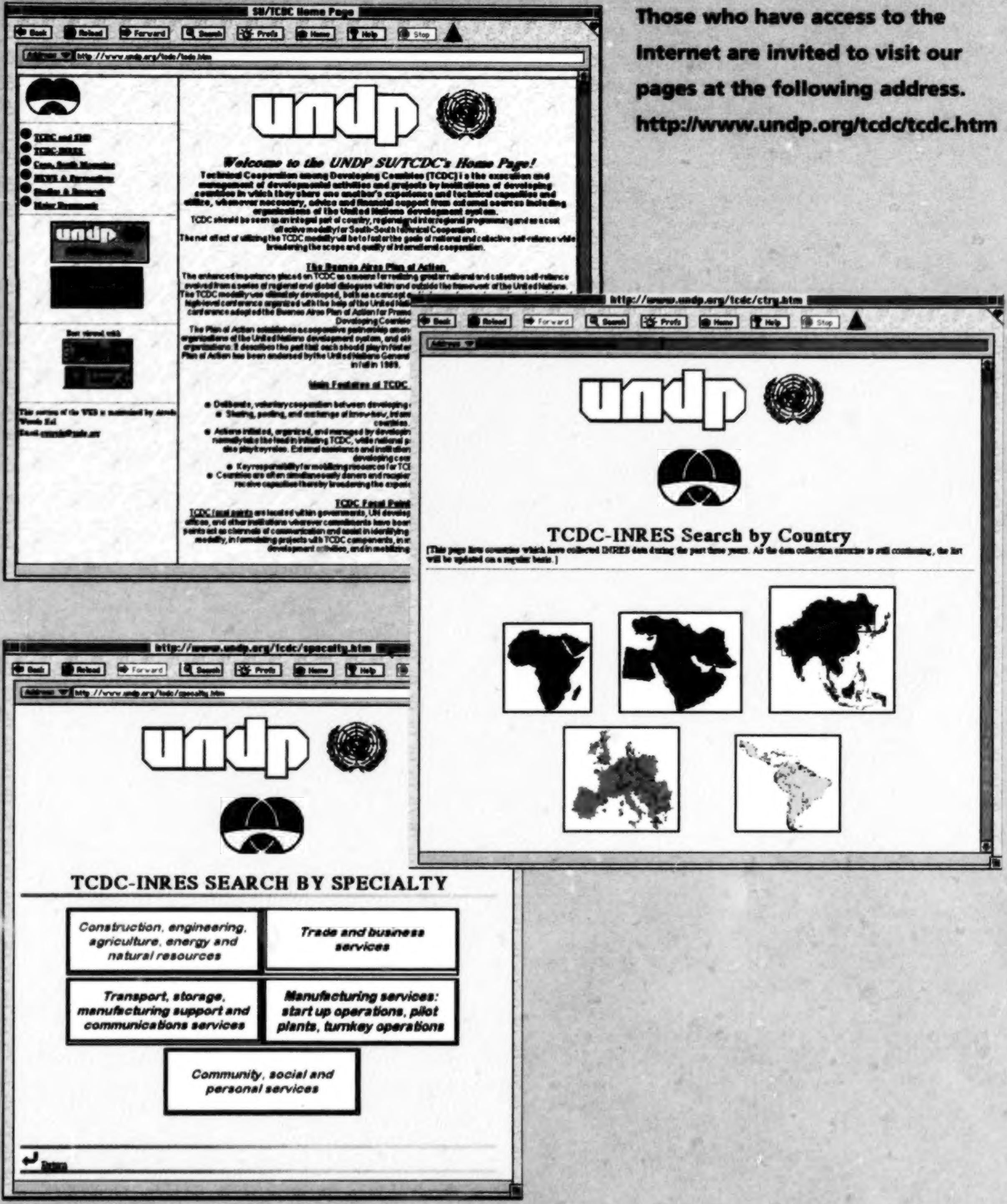
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Technical Cooperation among Developing Countries (TCDC) is the execution and management of developmental activities and projects by institutions of developing countries in which they share one another's experience and technical capabilities and utilize, whenever necessary, advice and financial support from external sources including organizations of the United Nations development system.

TCDC should be seen as an integral part of country, regional and interregional programming and as a cost effective modality for South-South technical Cooperation.

The net effect of utilizing the TCDC modality will be to foster the goals of national and collective self-reliance while broadening the scope and quality of international cooperation.

The Buenos Aires Plan of Action

The enhanced importance placed on TCDC as a means for realizing greater national and collective self-reliance evolved from a series of regional and global dialogues within and outside the framework of the United Nations.

TCDC-INRES Search by Country

[This page lists countries which have collected INRES data during the past three years. As the data collection exercise is still continuing, the list will be updated on a regular basis.]

TCDC-INRES SEARCH BY SPECIALTY

- Construction, engineering, agriculture, energy and natural resources
- Trade and business services
- Transport, storage, manufacturing support and communications services
- Manufacturing services: start up operations, pilot plants, turnkey operations
- Community, social and personal services